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 2008, sections 16A.501; 16A.66, subdivision 2; 16B.26; 16B.335, subdivision 1; 85.015, by adding a subdivision; 103F.161, subdivision 3; 103F.515, by adding a subdivision; 116J.435, as amended; 174.50, subdivisions 6, 7; 256E.37, subdivisions 1, 2; 403.275, subdivision 2; 462A.36, subdivision 2; Minnesota Statutes 2009 Supplement, section 16A.647, subdivisions 1, 5; Laws 2005, chapter 20, article 1, sections 19, subdivision 4; 23, subdivision 12, as amended; Laws 2006, chapter 258, sections 5, subdivision 3; 8, subdivision 4; 17, subdivision 5; 21, subdivisions 4, as amended, 14, as amended; Laws 2008, chapter 152, article 2, section 3, subdivision 2; Laws 2008, chapter 179, sections 5, subdivision 4; 7, subdivisions 8, 27; 21, subdivision 9; Laws 2008, chapter 365, sections 4, subdivision 3; 5, subdivision 2; 24, subdivision 2; 25; Laws 2009, chapter 93, article 1, sections 11, subdivision 5; 20; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Laws 2009, chapter 93, article 1, section 45.

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, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. 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

University of Minnesota	$	100,001,000
Minnesota State Colleges and Universities		239,920,000
Education		7,780,000
Minnesota State Academies		2,500,000
Perpich Center for Arts Education		1,373,000
Natural Resources		126,254,000
Pollution Control Agency		14,275,000
Board of Water and Soil Resources		27,500,000
Zoological Garden		21,000,000
Administration		11,175,000
Amateur Sports Commission		8,450,000
Military Affairs		11,900,000
Public Safety		15,000,000
Transportation		156,227,000
Metropolitan Council		79,100,000
Health		15,000,000
Human Services		51,625,000
Veterans Affairs		13,900,000
Corrections		23,829,000
Employment and Economic Development		121,965,000
Public Facilities Authority		57,000,000
Housing Finance Agency		10,000,000
Minnesota Historical Society		13,757,000
Bond Sale Expenses		1,079,000
Cancellations		**(27,562,000)**
TOTAL	**$**	**1,103,048,000**
Bond Proceeds Fund (General Fund Debt Service)		936,937,000
Bond Proceeds Fund (User Financed Debt Service)		66,148,000
Maximum Effort School Loan Fund		5,780,000
State Transportation Fund		66,000,000
Trunk Highway Fund Bond Proceeds Account		32,945,000
Trunk Highway Fund		22,800,000
Bond Proceeds Cancellations		(9,062,000)
Trunk Highway Bond Proceeds Cancellations		(18,500,000)

APPROPRIATIONS

Sec. 2. **UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation** **$ 100,001,000**

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)**	56,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. **Twin Cities Campus**

(a) **Folwell Hall**	23,000,000

To design, renovate, furnish, and equip the interior of Folwell Hall for teaching and research space for College of Liberal Arts programs.

(b) **Physics and Nanotechnology**	4,000,000

To predesign and design a new building to house the research branch of the physics program and the Center for Nanostructure Applications. This appropriation is not available until the board of regents has certified to the commissioner of management and budget that the building will not be built within the area impacted by vibration or magnetic resonance caused by light rail transit on Washington Avenue.

Subd. 4. **Duluth Campus**

American Indian Learning Resource Center	6,667,000

To design, construct, furnish, and equip an American Indian Learning Resource Center.

Subd. 5. **Itasca Biological Station**

New Biological Station and Lakeside Lab Renovation	3,667,000

To predesign, design, construct, furnish, and equip a new biological station and renovate the classroom in the historic lakeside laboratory at the University of Minnesota facility in Itasca State Park.

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

To design, renovate, furnish, and equip research laboratories on the Crookston, Duluth, Morris, and Twin Cities campuses.

Subd. 7. **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. 8. **Unspent Appropriations**

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, 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 of representatives and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house of representatives Ways and Means and Finance Committees and the senate Finance Committee, on how the remaining money has been allocated or spent.

Sec. 3. **MINNESOTA STATE COLLEGES AND UNIVERSITIES**

Subdivision 1. **Total Appropriation**	**$**	**239,920,000**

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 (HEAPR)**	52,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. **Alexandria Technical College**

Main Building Renovation and Addition	200,000

To design the library, student services, and student commons building and to complete design for an infill addition to it.

Subd. 4. **Anoka Ramsey Community College, Coon Rapids**

(a) **Fine Arts Building Renovation**	5,357,000

To complete design and to renovate, furnish, and equip the Fine Arts classroom and lab building.

(b) **Bioscience and Allied Health Addition**	400,000

To complete design of a Bioscience and Allied Health addition and renovation to support Science Technology and Math (STEM) and nursing program initiatives.

Subd. 5. **Dakota County Technical College**

Transportation and Emerging Technologies Lab	300,000

To complete design of the transportation and emerging technologies classrooms, laboratories, and related spaces.

Subd. 6. **Hennepin Technical College, Eden Prairie, Brooklyn Park**

Learning Resource and Student Services Renovation	10,566,000

To renovate, furnish, and equip existing space at the Brooklyn Park and Eden Prairie campuses for a Library and Learning Resource Center and student services with an addition and new entrances at both campuses.

Subd. 7. **Lake Superior College**

Health Science Center	12,098,000

To construct, furnish, and equip a new Health and Science Center addition and to design renovation of existing spaces.

Subd. 8. **Metropolitan State University**

Classroom Center	5,860,000

To construct, furnish, and equip technology-enhanced classrooms and academic offices located above the power plant building. This appropriation includes money to demolish the power plant annex to enable the new construction.

Subd. 9. **Minneapolis Community and Technical College**

Workforce Program Renovation	12,990,000

To complete design and to renovate, furnish, and equip instructional space, support space, and infrastructure for workforce programs.

Subd. 10. **Minnesota State Community and Technical College, Moorhead**

Library and Classroom Addition	5,448,000

To complete design and to construct, furnish, and equip a classroom and library addition, and to demolish obsolete space.

Subd. 11. **Minnesota State University, Mankato**

Clinical Science Building Design	1,908,000

To design for construction a Clinical Science Building.

Subd. 12. **Minnesota State University, Moorhead**

Livingston Lord Library and Information Technology Renovation	14,901,000

To complete design and to renovate, furnish, and equip Livingston Lord Library.

Subd. 13. **Minnesota West Community and Technical College, Canby**

Wind Turbine Training Facility	200,000

For preliminary engineering and design of a commercial scale wind turbine for the wind energy technology program.

Subd. 14. **NHED Mesabi Range Community and Technical College, Eveleth**

Shop Space Addition	5,477,000

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 Americans with Disabilities Act (ADA) compliance.

Subd. 15. **NHED Mesabi Range Community and Technical College, Virginia**

Iron Range Engineering Program Facilities	3,000,000

To predesign, design, construct, furnish, and equip an addition to and renovation of existing space for laboratories, flexible classrooms, and office space for the engineering program on the Virginia campus.

Subd. 16. **Normandale Community College**

Academic Partnership Center and Student Services	1,000,000
To design a new building for classrooms and offices and to design renovation of the Student Services Building.	
Subd. 17. **North Hennepin Community College**	
(a) **Bioscience and Health Careers Center Addition**	600,000
To complete design of a new building for Bioscience and Health Careers Center laboratory and classroom space.	
(b) **Center for Business and Technology**	14,782,000
To construct, furnish, and equip an addition to the Center for Business and Technology and to renovate existing space for classrooms and related space.	
Subd. 18. **Ridgewater Community Technical College, Willmar**	
Technical Instruction Renovation	14,300,000
To design, renovate, furnish, and equip classroom and existing instructional lab space and construct an addition for circulation; and to demolish obsolete space.	
Subd. 19. **Rochester Community Technical College**	
Workforce Center Colocation	8,500,000
To complete the design and to construct, furnish, and equip an addition to the Heintz Center at Rochester Community and Technical College and to renovate the heating, ventilating, and air conditioning systems. The addition will house the Rochester Area Work Force Center. The board of trustees must consult with the	

commissioner of employment and economic development on the design of the renovations and addition. The board must enter into a lease agreement with the commissioner of employment and economic development for use of the work force center. The lease agreement must provide that lease payments made by the commissioner will pay for the college's reasonable costs in support of the work force center.

This appropriation is in addition to the appropriation in Laws 2008, chapter 179, section 3, subdivision 23.

Subd. 20. **South Central College, Faribault**	13,360,000

Classroom Renovation and Addition

To complete design and to construct, furnish, and equip an addition, and to renovate space for classrooms, a learning resource center, related spaces, and laboratories.

Subd. 21. **Southwest Minnesota State University**

Science Lab Renovation	200,000

To complete design of the Science and Math building renovation.

Subd. 22. **St. Cloud State University**

Integrated Science and Engineering Laboratory Facility	42,334,000

To complete design and to construct, furnish, and equip Integrated Science and Engineering Laboratory Facility.

Subd. 23. **St. Cloud Technical College**

Allied Health Center Renovation	5,421,000

To complete design and to renovate, furnish, and equip an Allied Health Center.

Subd. 24. **Classroom Initiatives and Demolition** 3,883,000

To design, renovate, furnish, and equip classrooms and academic space and demolish obsolete space at the following campuses: Central Lakes College, Brainerd; Minnesota State Community Technical College, Wadena and Moorhead; Minnesota West Community Technical College, Pipestone; Northland Community Technical College, Thief River Falls; Pine Technical College, Pine City; and Rochester Community Technical College, Rochester.

Campuses may use internal and nonstate money to increase the size of the projects.

Subd. 25. **Science, Technology, Engineering, and Math Initiatives** 4,835,000

To design, renovate, furnish, and equip science laboratories and classrooms at the following campuses: Bemidji State University; Century College; Minnesota State Community and Technical College, Moorhead; Minnesota State University, Moorhead; Northeast Higher Education District, Hibbing College, Itasca Community College, and Mesabi Range Eveleth; Northwest Technical College; South Central College, North Mankato.

Campuses may use internal and nonstate money to increase the size of the projects.

Subd. 26. **Debt Service**

(a) Except as provided in paragraph (b), 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. After each sale of general obligation bonds, the commissioner of management and budget shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The board need not pay debt service on bonds sold to finance higher education asset preservation and replacement. 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. For the workforce center colocation project at Rochester Community and Technical College, the board shall pay the debt service on $1,079,000 of the principal amount of state bonds sold to finance the project. The commissioner of employment and economic development shall pay the debt service on $5,262,000 of the principal amount of state bonds sold to finance the project, in the manner provided in Minnesota Statutes, section 16A.643.

(c) The commissioner of management and budget 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 management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget 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 management and budget 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. 27. **Unspent Appropriations**

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the board must use any money remaining in the appropriation for that project for higher asset preservation and replacement (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 of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives 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 27 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **EDUCATION**

Subdivision 1. **Total Appropriation**	**$**	**7,780,000**

To the commissioner of education for the purposes specified in this section.

Subd. 2. **Independent School District No. 38, Red Lake**	5,780,000

From the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72, to design, construct, furnish, and equip renovation of existing facilities and construction of new facilities.

The project paid for with this appropriation includes a portion of the renovation and construction identified in the review and comment performed by the commissioner of education under the capital loan provisions of Minnesota Statutes, section 126C.69. This portion includes renovation and construction of a single kitchen and cafeteria to serve the high school and middle school, a receiving area and dock and adjacent drives, utilities, and grading.

Before any capital loan contract is approved under this authorization, the district must provide documentation acceptable to the commissioner on how the capital loan will be used. If any portion of the appropriation remains after completion of the identified project components, the district may, with the commissioner's approval, use the money for other items identified in the review and comment submission.

Subd. 3. **Library Accessibility and Improvement Grants**		2,000,000

For library accessibility and improvement grants under Minnesota Statutes, section 134.45.

Sec. 5. **MINNESOTA STATE ACADEMIES**

Subdivision 1. **Total Appropriation**	**$**	**2,500,000**

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

Subd. 2. **Asset Preservation**		2,000,000

For asset preservation on both campuses of the academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Independent Living Housing**		500,000

To predesign, design, construct, furnish, and equip independent living housing on the Academy for the Blind campus. The project will be conducted in collaboration with the carpentry class of South Central College of Faribault and provide housing for students 18 to 21 years of age in the nontraditional student component of the Academy Plus Transition program.

Sec. 6. **PERPICH CENTER FOR ARTS EDUCATION**

Subdivision 1. **Total Appropriation**	**$**	**1,373,000**

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

Subd. 2. **Alpha Building Demolition**		755,000

To demolish the Alpha Building.

Subd. 3. **Delta Dorm Windows**		489,000

To install new windows in the Delta Dormitory, completing the building's renovations.

Subd. 4. **Storage Building**		129,000

To construct a storage building on the site of the demolished Alpha Building.

Sec. 7. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**	**$**	**126,254,000**

To the commissioner of natural resources for the purposes specified in this section.

The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

Subd. 2. **Natural Resources Asset Preservation**		1,000,000

For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources that can be substantially completed within 12 months after the effective date of this section, to be spent in accordance with Minnesota Statutes, section 84.946. The commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation.

Subd. 3. **Flood Hazard Mitigation Grants** 63,500,000

(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

(b) The commissioner shall determine project priorities as appropriate, based on need.

(c) This appropriation includes money for the following county and municipal projects: Ada, Afton, Austin, Borup, Breckenridge, Clay County, Climax, Crookston, Felton, Georgetown, Granite Falls, Halstad, Hendrum, Inver Grove Heights, Montevideo, Moorhead, Nielsville, Oakport Township, Oslo, Perley, Roseau, Rushford, and Shelly.

(d) This appropriation includes money for the following watershed district projects: Brandt Angus, Middle-Snake-Tamarac Rivers Watershed District; Fountain Lake, Shell Rock River Watershed District; Grand Marais Creek, Red Lake Watershed District; Hay Creek-Norland, Roseau Watershed District; Manston Slough, Buffalo-Red River Watershed District; North Ottawa, Bois de Sioux Watershed District; Red Path, Bois de Sioux Watershed District; Springbrook, Two Rivers Watershed District; Thief River Falls, County Ditch No. 1, Red Lake Watershed District; Upper Becker Dams, Wild Rice Watershed District; and Upper South Branch, Buffalo-Red River Watershed District.

(e) The commissioner may spend money and make grants for land acquisition, predesign, design, and engineering for the Fargo-Moorhead metropolitan diversion project proposed by the United States Army Corps of Engineers, but must not spend money or make grants for construction of the diversion channel until an implementation plan for mitigation of downstream impacts has been developed, or April 1, 2012, whichever occurs first. The mitigation plan must ensure that the project will not make downstream flooding worse than it would have been without the project.

(f) For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

(g) To the extent that the cost of a project exceeds two percent of the median household income in the municipality, Oakport Township, or Clay County multiplied by the number of households in the municipality, Oakport Township, or Clay County, this appropriation is also for the local share of the project.

(h) For the purpose of determining any local match required for the Moorhead project and other municipal Red River flood hazard mitigation projects, the projects include all bondable flood hazard mitigation activities occurring under Department of Natural Resources flood hazard mitigation grants after April 2009 and bondable flood hazard mitigation projects resulting from the United States Army Corps of Engineers Fargo-Moorhead Metropolitan Feasibility Study.

(i) The commissioner shall report quarterly to the chairs of the senate and house of representatives committees on finance, ways and means, and capital investment, and to the chairs of the senate and house of representatives committees and divisions with jurisdiction over natural resources policy and budget on the previous quarter's expenditure of the appropriation in this subdivision.

Subd. 4. **Groundwater Monitoring and Observation Wells** 1,000,000

To install new publicly owned groundwater level observation wells to monitor the Mount Simon aquifer and assess groundwater for water supply planning in the south and central regions of the state. This appropriation may also be used to seal existing obsolete monitoring wells in the Mount Simon region that are no longer functional.

Subd. 5. **Dam Renovation and Removal** 4,750,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

This appropriation includes money for the following projects:

(a) Byllesby Dam, Dakota and Goodhue Counties

(b) Champlin Mill Pond Dam, Hennepin County

(c) Clayton Lake Dam, Pine County

(d) Drayton Dam, Kittson County

(e) Hallock Dam, Kittson County

(f) Lake Bronson Dam, Kittson County

(g) Lanesboro Dam, Fillmore County

(h) Milaca Dam, Mille Lacs County

(i) Montevideo Dam, Chippewa County

(j) Pike River Dam, St. Louis County

(k) $750,000 is for a grant to the Three Rivers Park District to renovate the Coon Rapids Dam. This appropriation is not available until the commissioner determines that an amount sufficient to complete the project is committed to the project.

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a project listed in this subdivision, the commissioner may transfer the unencumbered balance in the project account to any other dam renovation or removal project on the commissioner's priority list.

Subd. 6. **Wildlife and Aquatic Management Area Land Acquisition and Improvement** 1,000,000

To acquire land in fee for wildlife management area and aquatic management area purposes and for improvements of a capital nature to develop, protect, or improve habitat and facilities on wildlife management areas under Minnesota Statutes, section 86A.05, subdivisions 8 and 14.

Subd. 7. **RIM Critical Habitat Match**	3,000,000

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943. This appropriation must be used only to acquire fee title.

Subd. 8. **Scientific and Natural Area Acquisition and Development**	4,500,000

To acquire in fee the Hastings Sand Coulee in Dakota County, and other lands identified by the commissioner as targeted sites for potential acquisition for scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5, and for protection and improvements of a capital nature in scientific and natural areas. Not less than five percent of this appropriation is for restoration.

Subd. 9. **Forests for the Future**	500,000

To acquire conservation easements as described under Minnesota Statutes, chapter 84C, on private forest lands and within Forest Legacy Areas established under United States Code, title 16, section 2103c. The conservation easements must guarantee public access, including hunting and fishing.

Subd. 10. **State Forest Land Reforestation**	3,000,000

To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including planting, seeding, site preparation, and purchasing native seeds and native seedlings; and for timber stand improvement.

Subd. 11. **Forest Roads and Bridges**	1,000,000

For reconstruction, resurfacing, replacement, and construction of state forest roads and bridges under Minnesota Statutes, section 89.002.

Subd. 12. **Shade Tree Program** 3,000,000

For grants to cities, counties, townships, and park and recreation boards in cities of the first class for the planting of publicly owned shade trees on public land to provide environmental benefits; replace trees lost to forest pests, disease or storm; or to establish a more diverse community forest better able to withstand disease and forest pests. The commissioner must give priority to grant requests to remove and replace trees with active infestations of emerald ash borer. For purposes of this appropriation, "shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value and no intent to harvest the tree for its wood. Any tree planted with funding under this subdivision must be a species native to Minnesota.

Subd. 13. **State Park Rehabilitation** 4,659,000

For rehabilitation projects within state parks established under Minnesota Statutes, section 85.012, as identified in the January 20, 2010, list of projects titled "State Park Development Projects - 12 month completion possible," including: at the Soudan Underground Mine, water treatment system and lab building, and new discharge pipeline; at Minneopa, safety improvements to the historic pedestrian bridge; at Itasca, repaving the wilderness drive and improvements to the beach area amphitheater; at Fort Ridgely, office consolidation into the historic museum building; at Whitewater and Mille Lacs Kathio, new RV sanitary dump stations; at Lake Maria, road paving and rehabilitation; and at all parks, campground electrical upgrades. Up to one percent of this appropriation may be used for project predesign for next funding cycle. Most of the appropriation in this subdivision must be spent within 12 months after the effective date of this section.

Subd. 14. **State Park and Recreation Area Acquisition**	2,150,000

To acquire from willing sellers private lands for the following state parks established under Minnesota Statutes, section 85.012: land within William O'Brien State Park and land near Split Rock Lighthouse State Park that provides a view of the lighthouse; and land within Cuyuna Country State Recreation Area, established under Minnesota Statutes, section 85.013.

Subd. 15. **State Park and Recreation Area Development**

For projects within state parks established under Minnesota Statutes, section 85.012, and state recreation areas established under Minnesota Statutes, section 85.013.

This appropriation includes money for the following projects:

(a) **Cuyuna Country State Recreation Area**	1,250,000
(b) **Glendalough State Park**	350,000

To develop a trail within Glendalough State Park.

Subd. 16. **State Trail Rehabilitation** 4,000,000

(a) To renovate state trails established under Minnesota Statutes, section 85.015, according to the commissioner's priorities and as provided in Minnesota Statutes, section 84.946. Most of the appropriation in this subdivision must be spent within 12 months after the effective date of this section. This appropriation is for the following trails:

(1) Gateway Trail;

(2) Luce Line Trail;

(3) Munger Trail;

(4) Paul Bunyan Trail; and

(5) Root River Trail.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project. The chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

(b) This appropriation may also be used to renovate the Alborn-Pengilly Railroad ATV Trail.

Subd. 17. **State Trail Acquisition and Development** 21,423,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015.

Up to $1,000,000 is for the Blazing Star Trail.

Up to $1,000,000 is for the Browns Creek Trail.

Up to $2,000,000 is for the Casey Jones Trail.

Up to $2,000,000 is to design, acquire land for, and develop the Camp Ripley/Veterans State Trail, established in new Minnesota Statutes, section 85.015, subdivision 28, in conjunction with the United States Department of Defense and the Minnesota Department of Transportation.

Up to $1,000,000 is for the Cuyuna Lakes Trail.

Up to $2,000,000 is for the Gateway Trail.

Up to $1,000,000 is for the Gitchi-Gami Trail.

Up to $2,000,000 is to acquire and develop a five-mile bituminous extension of the Glacial Lakes State Trail in the city of New London to Sibley State Park, in the CSAH 40 corridor, for bicycle and pedestrian use.

Up to $1,300,000 is to acquire and develop the segment of the Goodhue Pioneer Trail between the cities of Zumbrota and Goodhue.

Up to $1,500,000 is for the Heartland Trail extension.

Up to $2,373,000 is for paving the Luce Line Trail and developing a parallel horse trail between the city of Winsted and city of Cedar Mills. The trail between the city of Winsted and city of Cedar Mills must be available for multiple uses, including hiking, biking, horseback riding, snowmobiling, cross-country skiing, and inline skating. Notwithstanding Minnesota Statutes, section 84.8712, subdivision 1, snowmobiles with metal traction devices may be used on the portion of the Luce Line Trail paved with this appropriation. The commissioner of natural resources shall ensure that all drainage tile passing under the Luce Line Trail can be maintained and provide for adequate crossing locations for farmers with construction standards that allow for large machinery to cross the trail.

Up to $550,000 is for the Mill Towns Trail.

Up to $400,000 is for the Minnesota River Trail.

Up to $1,800,000 is for the Paul Bunyan Trail.

Up to $1,500,000 is for the Shooting Star Trail.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project. The chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Subd. 18. **Regional Trails** 500,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4b.

For a grant to Aitkin County to acquire land for and to construct segments of the

Northwoods Regional All-Terrain Vehicle Trail.

Subd. 19. **Trail Connections** 3,292,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4c.

$55,000 is for a grant to Carlton County to make safety improvements on the Soo Line Trail in Moose Lake, including restoring decking, railings, and approaches of the trestles on the trail.

$512,000 is for a grant to the city of Granite Falls to renovate the Roebling suspension pedestrian bridge over the Minnesota River in Granite Falls.

$175,000 is for a grant to the city of Hibbing to acquire land, predesign, design, construct, and resurface the Carey Lake Bike Trail which follows 25th Street (Dupont Road) east to the Carey Lake Park in Hibbing, St. Louis County.

$1,000,000 is for a grant to the city of Rochester to acquire the DM&E Pine Island spur right-of-way to connect to the Douglas State Trail.

$800,000 is for a grant to the Rocori Trail Board to acquire, design, and construct phase 1 of the Rocori Trail, from Richmond to the east side of the Sauk River into Cold Spring, connecting the Glacial Lakes State Trail to the Beaver Island Trail and Lake Wobegon Trail.

$250,000 is for a grant to Stearns County to develop the 26-mile Dairyland Trail connecting to the Lake Wobegon Trail.

$500,000 is for a grant to the city of Walker for phases 2 and 3 of the Shingobee Trail Connection to the Paul Bunyan State Trail.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another trail connection project in this subdivision. The chairs of the house of representatives and senate committees with jurisdiction over the environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Subd. 20. **St. Mathias Trail Paving - Fort Ripley**	50,000

For a grant to the city of Fort Ripley to pave a trail in St. Mathias Park.

Subd. 21. **Rum River Buffer and Bridge Replacement**	130,000

For a grant to the city of Milaca to demolish and remove the pedestrian bridge over the Rum River between Rec Park and Forest Hill cemetery in the city of Milaca, and to design, engineer, construct, and install a new accessible pedestrian bridge in the same location. The project must remove the pillars in the river and the new bridge must not have pillars in the river. This appropriation is not available until the city has agreed to develop a 100-foot-wide permanent buffer on the east side of the river that will protect the river where currently there is no appropriate buffer.

Subd. 22. **Fort Snelling Upper Bluff**	1,200,000

For a grant to Hennepin County to conduct emergency building stabilization at Fort Snelling Upper Bluff. This appropriation is not available until the commissioner of management and budget has determined that Hennepin County has entered into appropriate agreements to use Sentence to Serve labor for the project that will train the Sentence to Serve laborers in the skills needed for the work.

Subd. 23. **Lake Superior Campground Expansion**		1,000,000

For a grant to the city of Two Harbors to design and construct an expansion of the Burlington Bay Campground.

Subd. 24. **Unspent Appropriations**

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, other than an appropriation for flood hazard mitigation, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred for asset preservation.

Sec. 8. **POLLUTION CONTROL AGENCY**

Subdivision 1. **Total Appropriation**	**$**	**14,275,000**

To the Pollution Control Agency for the purposes specified in this section.

Subd. 2. **Closed Landfill Cleanup**		8,700,000

To design and construct remedial systems and acquire land at landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42. The agency must follow the agency priorities. Entities administering projects undertaken with funds in this subdivision must conform to occupational safety and health standards under federal law and Minnesota Statutes, chapter 182, and report to the legislature any violations.

Subd. 3. **Capital Assistance Program**	5,575,000

For the solid waste capital assistance grants program under Minnesota Statutes, section 115A.54, except that the $2,000,000 limit on the total amount of the grant is waived for these projects.

(1) $500,000 is for a grant to Becker County to design and construct a waste transfer facility. This amount includes 75 percent of the cost of the transfer station and 50 percent of the cost of the material recovery facility. The counties using this facility must agree to achieve a 60 percent recycling rate and an organics recovery rate of 15 percent by 2025. This grant is not available until the agency determines that an amount sufficient to complete the project is committed to it from nonstate sources.

(2) $5,075,000 is for a grant to the city of Perham in Otter Tail County to design, construct, furnish, and equip a material recovery facility at the Perham Resource Recovery Facility. The counties using this facility must agree to achieve a 60 percent recycling rate and an organics recovery rate of 15 percent by 2025.

Sec. 9. **BOARD OF WATER AND SOIL RESOURCES**

Subdivision 1. **Total Appropriation**	**$**	**27,500,000**

To the Board of Water and Soil Resources for the purposes specified in this section.

Subd. 2. **RIM Conservation Reserve**	25,000,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands; restore and enhance rivers and streams, riparian lands, and associated uplands in order to protect soil and water quality; support fish and wildlife habitat; reduce flood damage; and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored native prairies, as defined in Minnesota Statutes, section 84.02, subdivision 7, and to protect uplands. Of this appropriation, up to ten percent may be used to implement the program.

The board may give priority to the area designated for relief and recovery from the flooding that occurred on or after August 18, 2007, in the area of southeast Minnesota designated under Presidential Declaration of Major Disaster DR-1717.

At least $2,000,000 of this amount is available for use by the Cedar River and Turtle Creek Watershed Districts in Freeborn, Mower, Dodge, and Steele Counties to restore wetlands and reduce flooding in the Austin area.

Up to $8,000,000 of this amount is available for use in Minnesota counties in the Red River Basin to restore wetlands and reduce flooding.

Up to $500,000 is for use in the Rum River watershed.

Up to $2,000,000 is for use in Area II.

$7,500,000 is for use in the seven-county metropolitan area.

Up to $400,000 is for a grant to the Freeborn County Soil and Water Conservation District for use in the Minnesota portion of the Bear Lake watershed.

(b) The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration, including overseeding and harvesting of native prairie vegetation for use for energy production in a manner that does not devalue the natural habitat, water quality benefits, or carbon sequestration functions of the area enrolled in the easement. This shall occur after seed production and minimize impacts on wildlife. Of this appropriation, up to five percent may be used for restoration, including overseeding. The board must submit to the legislative committees with jurisdiction over environment finance and capital investment an interim report on this program by October 1, 2010, and a final report by February 1, 2011.

Subd. 3. **Wetland Replacement Due to Public Road Projects** 2,500,000

To acquire land for wetland restoration or preservation to replace wetlands drained or filled as a result of the repair or reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board shall give priority consideration to establishing wetland credits in the seven-county metropolitan area in partnership with the Minneapolis Park and Recreation Board and the sculpture garden project.

The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored native prairies, as defined in Minnesota Statutes, section 84.02, subdivision 7, and to protect uplands.

The purchase price paid for acquisition of land, fee, or perpetual easement must be the fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits. Acquisition of or the conveyance of land may be in the name of the political subdivision.

Sec. 10. **MINNESOTA ZOOLOGICAL GARDEN**

Subdivision 1. **Total Appropriation** **$ 21,000,000**

To the Minnesota Zoological Garden Board for the purposes specified in this section.

Subd. 2. **Asset Preservation and Improvement**	6,000,000

For capital asset preservation improvements and betterments to infrastructure and exhibits at the Minnesota Zoo, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Master Plan**	15,000,000

To design, construct, furnish, and equip phase 1 of the Heart of the Zoo entry, Visitor Center, and Environmental Education Center.

This appropriation is not available until the city of St. Paul certifies to the commissioner of management and budget that it has sufficient financing to complete phase 2 renovation of exhibits at the Como Zoo.

Sec. 11. **ADMINISTRATION**

Subdivision 1. **Total Appropriation**	**$**	**11,175,000**

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

Subd. 2. **Capital Asset Preservation and Replacement Account (CAPRA)**	2,000,000

To be spent in accordance with Minnesota Statutes, section 16A.632.

Subd. 3. **Asset Preservation**	8,075,000

For asset preservation projects in properties managed by the commissioner. This appropriation must be spent in accordance with Minnesota Statutes, section 16B.307.

$1,250,000 is to design, construct, furnish, and equip phase 1 of Capitol campus security upgrades.

$75,000 is to predesign renovation of the Governor's residence on Summit Avenue in St. Paul.

Subd. 4. **Cooperative Local Facilities Grants**	1,000,000

For grants to counties, cities, towns, and school districts to construct or renovate cooperative local facilities under new Minnesota Statutes, section 16B.355.

Subd. 5. **Veterans, Firefighters, and Police Memorial - Eagan**	100,000

For a grant to the city of Eagan to design and construct a memorial to those in the military, firefighters, and police who have died in the line of duty.

Sec. 12. **AMATEUR SPORTS COMMISSION**

Subdivision 1. **Total Appropriation**	**$**	**8,450,000**

To the Minnesota Amateur Sports Commission for the purposes specified in this section.

Subd. 2. **Women's Hockey Center - Blaine**	950,000

To predesign, design, construct, furnish, and equip a women's locker room, training room, and education display at the National Sports Center Super Rink in Blaine.

Subd. 3. **National Volleyball Center - Rochester**	4,000,000

For a grant to the city of Rochester to design, construct, furnish, and equip the phase 2 expansion of the National Volleyball Center in Rochester, designated by the Minnesota Amateur Sports Commission as a regional amateur sports center, subject to Minnesota Statutes, section 16A.695.

Subd. 4. **Northwestern Minnesota Regional Sports Center - Moorhead**		3,500,000

For a grant to the city of Moorhead to design, construct, furnish, and equip the Northwestern Minnesota Regional Sports Center.

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. The match may include in-kind contributions, and may include contributions made since January 1, 2007.

Sec. 13. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation**	**$**	**11,900,000**

To the adjutant general for the purposes specified in this section.

Subd. 2. **Asset Preservation**		4,000,000

For asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Facility Life Safety Improvements**		1,000,000

For life safety improvements and to correct code deficiencies at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 4. **Facility ADA Compliance**		900,000

For Americans with Disabilities Act (ADA) alterations to existing National Guard Training and Community Centers in locations throughout the state, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 5. **Cedar Street Armory Renovation**	5,000,000

To design and renovate the Cedar Street Armory in St. Paul, including mechanical, electrical, building envelope, and life safety improvements.

Subd. 6. **Camp Ripley Troop Support Facility**	1,000,000

To complete design, renovation, furnishing, and equipping of the Troop Support Facility at Camp Ripley, including but not limited to: window replacement, interior floor installation and finishings, air conditioning, upgrade of electrical, data, and telecommunication systems, and kitchen installation.

Subd. 7. **Unspent Appropriations.**

The unspent portion of an appropriation for a project under this section that has been completed may be used for any other purpose permitted under Minnesota Statutes, section 16B.307.

Sec. 14. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**	**$**	**15,000,000**

To the commissioner of public safety, or other named agency, for the purposes specified in this section.

Subd. 2. **Emergency Management Training Facility - Camp Ripley**	6,000,000

To the commissioner of administration to design, construct, furnish, and equip an emergency vehicle operator's course at Camp Ripley.

Nonmilitary public safety personnel from Minnesota must be given access to the facility.

Subd. 3. **State Emergency Operations Center**	2,250,000

To the commissioner of administration to predesign and design a new state emergency operations center in Arden Hills.

The commissioner of administration must consult with the commissioner of public safety in the predesign and design. This appropriation is not available until the commissioner has reported to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance, capital investment, finance, and ways and means, how the Arden Hills site will be adequately accessible in the event of a disaster that adversely affects major transportation corridors.

Subd. 4. **East Metro Regional Fire Training Facility - Maplewood**	3,000,000

For a grant to the city of Maplewood to acquire land, prepare a site including environmental work, predesign, design, and construct the East Metro Regional Fire Training Facility in Ramsey County, within the city of Maplewood.

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

Subd. 5. **Emergency Operations Center and Fire Training Facility - Minneapolis**	750,000

For a grant to the city of Minneapolis to complete design and construction of an Emergency Operations Center and Fire Training Facility in the city of Minneapolis.

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

Subd. 6. **Marshall - Minnesota Emergency Response and Industry Training Center (MERIT)** 1,000,000

For a grant to the city of Marshall to acquire land, predesign, design, construct, furnish, and equip the expansion of the Minnesota Emergency Response and Industry Training Center (MERIT Center) in Marshall, Lyon County. The project includes acquiring approximately 80 acres of land for expanded facilities that will include a driving course, classrooms and offices, skid pad, and training simulators for driving, hand gun shooting, and driving education. This appropriation is not available until the commissioner determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 7. **Public Safety Facility - Princeton** 2,000,000

For a grant to the city of Princeton to design, construct, furnish, and equip a new public safety building to be the headquarters for emergency operations for the city and to house equipment used to respond to regional emergencies.

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.

Sec. 15. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**	**$**	**156,227,000**

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. **Local Bridge Replacement and Rehabilitation**	66,000,000

This appropriation is from the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50. To the extent practicable, the commissioner shall expend the funds as provided under Minnesota Statutes, section 174.50, subdivisions 6c and 7, paragraph (c).

Political subdivisions may use grants made under this subdivision to construct or reconstruct bridges, including but not limited to:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a;

(3) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made; and

(4) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by

the commissioner to be deficient, if the commissioner determines that construction of the road or street is more economical than replacement of the existing bridge.

$1,800,000 is for a grant to the city of Fergus Falls to renovate the Tower Road bridge.

Up to $10,000,000 is for a grant to Hennepin County for phase 2 of the project for the removal of the existing Canadian Pacific Railway bridge and crib wall structure supporting the roadway, construction of a retaining wall structure to support Lowry Avenue, and construction of an extension of phase 1, the construction and replacement of the Lowry Avenue Bridge carrying County State-Aid Highway 153 across the Mississippi River in Minneapolis.

$7,000,000 is for a grant to the city of Minneapolis to construct a bridge for St. Anthony Parkway over the Northtown Rail Yard.

By November 1, 2010, the commissioner of management and budget, subject to approval of the commissioner of transportation, shall implement a grant administration method for grants provided under Minnesota Statutes, sections 174.50 and 174.52. The grant administration method must:

(1) not require a separate grant agreement for each project funded in whole or in part from general obligation grants;

(2) provide for efficient audits concerning state bond-financed property;

(3) ensure that all uses of the state bond-financed property will not cause the interest on the state general obligation bonds to be or become subject to federal income taxation for any reason; and

(4) otherwise comply with Minnesota Statutes, section 16A.695, the Minnesota Constitution, and all commissioner's orders.

By November 1, 2010, the commissioners of management and budget and transportation shall jointly submit a report on the grant administration method to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation policy and finance and capital investment. At a minimum, the report must briefly summarize the grant administration method being implemented, provide a copy of any model grant agreement, and provide recommendations, if any, for legislative changes.

Subd. 3. **Greater Minnesota Transit** 2,500,000

For capital assistance for greater Minnesota transit systems to be used for transit capital facilities under Minnesota Statutes, section 174.24, subdivision 3c. Money from this appropriation may be used to pay up to 80 percent of the nonfederal share of these facilities.

$520,000 is for a grant to the city of Northfield to design, construct, furnish, and equip a multimodal hub to serve as a transfer station, park and ride, intercity hub and trailhead, providing connections to Mill

Towns State Trail, bike paths, and sidewalks within the city of Northfield.

Subd. 4. **Rail Service Improvement** 2,000,000

For the rail service improvement program to be spent for the purposes set forth in Minnesota Statutes, section 222.50, subdivision 7.

Subd. 5. **Minnesota Valley Railroad Track Rehabilitation** 5,000,000

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate and make capital improvements to railroad track from east of Gaylord to Winthrop. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Subd. 6. **Northstar Commuter Rail Extension to St. Cloud** 1,000,000

To match federal money for environmental analysis, design, engineering, and acquisition of real property or interests in real property to extend the Northstar commuter rail line from Big Lake to the St. Cloud area.

Subd. 7. **Railroad Grade Warning Devices Replacement** 2,500,000

(a) To design, construct, and equip the replacement of active highway railroad grade crossing warning devices that have reached the end of their useful life.

(b) $900,000 is for a grant to the city of Grand Rapids to make at-grade railroad crossing improvements in the city. The project includes closing at-grade crossings at 12th Avenue West and 5th Avenue East along with at-grade crossing improvements on and adjacent to 19th Avenue West and 3rd Avenue East under City Projects 2003-6 and 2010-3. Crossing improvements include but are not limited to concrete crossings, railroad cross arms and signals, and street and utility improvements necessary to facilitate the crossing closures and improvements including design and construction engineering. This appropriation is not subject to the requirements of the commissioner to receive funding under paragraph (a) or under the department's rail grade crossing improvement program. This appropriation is not available until the commissioner of management and budget has determined that at least $2,400,000 has been committed, including expenditures prior to July 1, 2010, to the project from nonstate sources.

Subd. 8. **Port Development Assistance** 3,000,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

Subd. 9. **Range Regional Airport** 3,700,000

For a grant to the Chisholm-Hibbing Airport Authority for site preparation and to predesign, design, and construct a multiuse hangar and maintenance and storage facilities.

Subd. 10. **Duluth Airport Terminal** 11,700,000

For a grant to the city of Duluth to predesign, design, construct, furnish, and equip phase 2 of the new terminal facilities at the Duluth International Airport as phase 2 of the airport terminal project is described for purposes of the federal aviation administration project grant.

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

Subd. 11. **Thief River Falls Airport** 2,097,000

For a grant to the city of Thief River Falls to design, construct, furnish, and equip a multipurpose hangar at the Thief River Falls Regional Airport in Pennington County. This appropriation is not available until the commissioner determines that a match from other sources of at least $699,000 is committed to the project.

Subd. 12. **Rochester Maintenance Facility** 26,430,000

This appropriation is from the bond proceeds account in the trunk highway fund.

To prepare a site for and design, construct, furnish, and equip a new maintenance facility in Rochester.

Subd. 13. **Arden Hills Training Center** 6,500,000

This appropriation is from the bond proceeds account in the trunk highway fund.

To design and construct an addition to the Arden Hills Training Center.

Subd. 14. **Maple Grove Truck Station** 15,800,000

This appropriation is from the trunk highway fund.

To design and construct a new truck station in Maple Grove.

Subd. 15. **Little Falls Truck Station** 3,300,000

This appropriation is from the trunk highway fund.

To design and construct a new truck station in Little Falls.

Subd. 16. **Maplewood Bridge Crew Building** 3,000,000

This appropriation is from the trunk highway fund.

To design and construct a new building for the metro bridge crew.

Subd. 17. **Design** 700,000

This appropriation is from the trunk highway fund for design of the new Willmar district headquarters vehicle storage facility and the new Plymouth truck station.

Subd. 18. **Hoffman Yard** 1,000,000

For environmental analysis, engineering, acquisition of real property or interests in real property, and construction relating to capacity improvements at the Hoffman Interlocking/Hoffman Yard in St. Paul as identified in the Minnesota Comprehensive Statewide Freight and Passenger Rail Plan.

Sec. 16. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation** **$** **79,100,000**

To the Metropolitan Council for the purposes specified in this section.

Subd. 2. **Transit Capital Improvement Program** 43,500,000

(a) To advance transit in the metropolitan area, in consultation with the Counties Transit Improvement Board. Transit way corridors include the following: Bottineau Boulevard, Cedar Avenue, Central Corridor LRT, I-35W corridor, I-94 corridor, Red Rock corridor, Riverview corridor, Robert Street corridor, Rush Line, and Southwest corridor.

The appropriation must be used first to maximize federal money for all the following projects and to fund all projects in this paragraph as follows, but not listed in rank order of priority:

(1) preliminary engineering and environmental work for the Southwest Corridor light rail line from the Hiawatha light rail in downtown Minneapolis to Eden Prairie;

(2) environmental assessment, preliminary engineering, design, right-of-way acquisition, and construction of bus shoulders and transit facilities all as part of the Cedar Avenue Bus Rapid Transit Way from Lakeville in Dakota County to Bloomington in Hennepin County;

(3) a grant to the Ramsey County Regional Railroad Authority to acquire land and structures, to renovate structures, and for design, engineering, and environmental work to complete revitalization of the Union Depot for use as a multimodal transit center in St. Paul. The center must be designed so that it facilitates a potential future connection of high-speed rail to Minneapolis;

(4) real property acquisition, environmental analysis, and engineering for and construction of a park-and-ride facility for the Red Rock Corridor Transit Way;

(5) environmental work, engineering, acquisition of real property or interests in real property, and design and construction of a park-and-ride facility in the city of Woodbury for the I-94 Corridor Transit Way;

(6) a grant to the Hennepin County Regional Rail Authority for environmental analysis, engineering, design, acquisition of real property or interests in real property, and site preparation for the Minneapolis Transportation Interchange Facility located in the vicinity of the confluence of the Hiawatha light rail line and the Northstar commuter rail line. The interchange must be designed so that it facilitates a potential future connection of passenger or commuter rail to the Union Depot in St. Paul. The amount of the grant may not exceed the amount spent under this appropriation for park-and-ride facilities; and

(7) to design, construct, furnish, and equip improvements to property along the Central Corridor light rail tracks as they pass the State Capitol on University Avenue in St. Paul; money used for this purpose is not part of the Central Corridor light rail transit project budget.

(b) The remainder of the appropriation must be used to implement any of the following capital improvements, which are not listed in rank order of priority, to be selected by the

Metropolitan Council after consultation with the Counties Transit Improvement Board and after consultation with other stakeholders as appropriate. The council shall seek geographic balance in the allocation of this appropriation where possible. The remainder of the appropriation is for:

(1) environmental studies, engineering, real property acquisition, and construction of passenger facilities for the Robert Street Corridor Transit Way along a corridor on or parallel to U.S. Highway 52 and Robert Street from within the city of St. Paul to Dakota County Road 42 in Rosemount;

(2) environmental analysis and project development for the Bottineau Boulevard Transit Way corridor from the Target Ballpark station in downtown Minneapolis to the vicinity of the Target development in northern Brooklyn Park or the Arbor Lakes retail area in Maple Grove;

(3) real property acquisition for and construction of a park-and-ride facility in the vicinity of the intersection of County Road 14 and Interstate Highway 35E for the Rush Line Transit Way;

(4) a grant to the Anoka County Regional Rail Authority for environmental analysis, design, engineering, acquisition of real property or interests in real property, and construction of related infrastructure and other improvements of a capital nature for the Foley Boulevard Northstar commuter rail station;

(5) a grant to Hennepin County for design of a transit station in the Lake Street area at marked Interstate Highway 35W in the city of Minneapolis;

(6) to predesign, design, construct, furnish, and equip a parking lot and transit station shelter on land owned by the city of Rosemount in the city's downtown area. The parking lot will have approximately 100 spaces for vehicles; and

(7) a grant to the Ramsey County Regional Railroad Authority for environmental work and preliminary engineering for bus rapid transit in the Riverview corridor between the east side of St. Paul and the Minneapolis-St. Paul International Airport and the Mall of America.

Subd. 3. **Metropolitan Cities Inflow and Infiltration Grants** 3,000,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. To be eligible for a grant, a city must be identified by the Metropolitan Council as a contributor of excessive inflow or infiltration. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. The council must award grants based on applications from eligible cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Subd. 4. **Metropolitan Regional Parks and Trails Capital Improvements**

(a) **Metropolitan Council Priorities** 10,500,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. Priority must be given to park rehabilitation and land acquisition projects. This appropriation must not be used to purchase easements.

(b) **Como Zoo** 11,000,000

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip phase 2 renovation of exhibits at the Como Zoo.

(c) **Minneapolis Sculpture Garden** 2,000,000

For a grant to the Minneapolis Park and Recreation Board to predesign, design, and begin construction of the renovation of the Minneapolis Sculpture Garden, which displays art owned by the Walker Art Center, subject to Minnesota Statutes, section 16A.695. The complete renovation will include improving irrigation, drainage, the parking lot, security, granite substructures, concrete, and fixtures, in order to update them with more ecologically sustainable options that are less expensive to maintain; increasing physical accessibility in accordance with the Americans with Disabilities Act; transplanting and replacing trees and plant materials; and improving the mechanical plant, piping, and flooring of the Cowles Conservatory to permit its flexible reuse in a way that is more ecologically sustainable and less expensive to maintain.

(d) **Old Cedar Avenue Bridge** 2,000,000

For a grant to the city of Bloomington to renovate the Old Cedar Avenue Bridge for bicycle commuters and recreational users. The city of Bloomington must consult with the city of Eagan and Dakota County on the renovation.

This appropriation is added to the appropriation in Laws 2008, chapter 365, section 4, subdivision 3, as amended by this act.

(e) **Phalen-Keller Regional Park** 1,100,000

For grants to the city of St. Paul and Ramsey County for improvements to the Phalen-Keller Regional Park, including design, engineering, and construction for channel restoration and other associated channel improvements between Phalen, Keller, and Round Lakes, renovation of the waterfall on the northwest shore of Lake Phalen and addition of lighting and landscaping along the path near the waterfall, and design and construction of a paved off-road trail between Roselawn Avenue and County Road B connecting use areas within Keller Regional Park and to Phalen Regional Park and the Gateway State Trail.

(f) **Rock Island Bridge Park and Trail Development**	1,000,000

For a grant to the city of Inver Grove Heights for park and trail development on the west bank of the Mississippi River in Dakota County at the site of Mississippi River Bridge JAR 5600, commonly known as the Rock Island Bridge. Any park or trails developed with this appropriation must connect with any local, regional, or state trails in the vicinity, and the historic Rock Island Bridge.

(g) **Springbrook Nature Center**	2,000,000

For a grant to the city of Fridley to predesign, design, construct, furnish, and equip the redevelopment and expansion of the Springbrook Nature Center. No nonstate match is required.

(h) **Theodore Wirth Olympic Training Center**	1,000,000

For a grant to the Minneapolis Park and Recreation Board to predesign, design, construct, furnish, and equip, at Theodore Wirth Regional Park in Golden Valley, Hennepin County, a winter recreation center, including warming and training areas and maintenance facilities, for developing Olympic-caliber athletes.

(i) **Veterans Memorial Parks**	2,000,000

For a grant to the Minneapolis Park and Recreation Board to: (1) design and construct an appropriate monument in Sheridan Veterans Memorial Park on the Mississippi River in Minneapolis to memorialize the war service of Minnesota veterans of all wars; and (2) match money provided by Hennepin County to restore the flagpole monument and plaza, and make other infrastructure improvements of a capital nature for the Veterans of World War I Victory Memorial Parkway, consistent with Hennepin County's planned infrastructure improvements.

Sec. 17. **HEALTH**

Subdivision 1. **Total Appropriation**	**$**	**15,000,000**

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

Subd. 2. **Gillette Children's Specialty Healthcare**	10,000,000

For a grant to Ramsey County to design, construct, furnish, and equip capital improvements to the hospital facility operated by Gillette Children's Specialty Healthcare, subject to Minnesota Statutes, section 16A.695. A management contract or use agreement with respect to the facility must require that it be used to carry out a governmental program, including but not limited to providing health care.

This appropriation is intended to cover approximately one-sixth of the $62,000,000 total project cost. It is not available until the commissioner has determined that an amount sufficient to complete the project has been committed from nonstate sources.

If this state bond financed property is sold, and notwithstanding Minnesota Statutes, section 16A.695, subdivision 3, clause (2), the net proceeds must be applied as follows: first, to pay the state the amount of state bond proceeds used to acquire or better the property; and second, any remaining amount must be paid to Ramsey County, or its successor in interest in the property. When the sale is complete and the sale proceeds have been applied as provided in this subdivision, section 16A.695 no longer applies to the property and the property is no longer state bond financed property.

Subd. 3. **Hyperbaric Oxygen Chamber** 5,000,000

For a grant to Hennepin County for Hennepin County Medical Center to design, construct, furnish, and equip the relocation of a hyperbaric oxygen facility on the Hennepin County Medical Center campus.

Sec. 18. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **$** **51,625,000**

To the commissioner of administration, or another named agency, for the purposes specified in this section.

Subd. 2. **Asset Preservation** 2,000,000

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Early Childhood Learning and Child Protection Facilities** 2,000,000

To the commissioner of human services for grants under Minnesota Statutes, section 256E.37, to construct and rehabilitate early childhood learning and child protection facilities.

Subd. 4. **Remembering With Dignity**	125,000

To the commissioner of human services for grave markers or memorial monuments for unmarked graves on public land of deceased residents of state hospitals or regional treatment centers.

Subd. 5. **Minnesota Sex Offender Program Treatment Facilities - Moose Lake**	47,500,000

To complete design for and to construct, furnish, and equip phase 2 of the Minnesota sex offender treatment program at Moose Lake.

Subd. 6. **Sex Offender Treatment Center; Facilities Study**

The commissioner of human services, in consultation with the commissioners of corrections and administration, shall study the potential for using existing vacant or underused state facilities, including regional treatment centers, for the sex offender treatment program or for other programs or services administered by the Department of Human Services. The study must analyze the feasibility, time required, and cost of making the building and infrastructure changes necessary for the program. The study must also examine the current civil commitment policies of the state, sex offender treatment, and possible legislation to change determinate sentencing for sex offenders. The study must include a review of how other states use civil commitment for sex offenders. The commissioner shall submit a report on the study, with specific recommendations, to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over capital investment, human services policy and finance, and public safety policy and finance by January 15, 2011.

Sec. 19. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation**	**$**	**13,900,000**

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

Subd. 2. **Asset Preservation**	4,000,000

For asset preservation improvements and betterments of a capital nature at veterans homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Luverne Veterans Home Entrance Enclosure**	450,000

To design, construct, and furnish a new enclosure attached to the front entrance of the Luverne Veterans Home; re-engineer the circle drive parking lot adjoining the entrance to increase visitor parking capacity; and provide day room and lounge space on either side of the entrance.

Subd. 4. **Minneapolis Veterans Home**	9,450,000

To remodel building 16 to accommodate a domiciliary program, demolish the north wing of building 17, and design, construct, furnish, and equip up to a 72-bed single occupancy person-centered nursing care building, including site improvements and amenities for building and program support.

Sec. 20. **CORRECTIONS**

Subdivision 1. **Total Appropriation**	**$**	**23,829,000**

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

Subd. 2. **Asset Preservation** 8,000,000

For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **ARMER Radio System Migration** 5,800,000

To design, construct, furnish, and equip the Allied Radio Matrix for Emergency Response (ARMER) system migration into all state correctional facilities, including, but not limited to, building and radio site improvements, installation of fixed antenna systems and repeaters, and installation of master control dispatch console equipment.

Subd. 4. **Minnesota Correctional Facility - Oak Park Heights**

(a) **Exterior Intrusion Detection System Upgrade** 3,529,000

To replace and improve the current perimeter detection system with a comprehensive system that will use current technology and provide essential components of effective and reliable escape detection at Minnesota's maximum security correctional facility, including but not limited to installation of a new sensor coil system, improved lighting, cameras, recording devices, and renovations of existing facilities required to accommodate the technology and functionality of the new system.

(b) **Security System Upgrade** 6,500,000

To replace and upgrade existing facility security systems and components with new fully integrated systems throughout the prison, including renovations of existing facilities required to accommodate the technology and functionality of the new systems.

Subd. 5. **Unspent appropriations**

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307, at the same correctional facility as the project for which the original appropriation was made. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 21. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation**	**$**	**121,965,000**

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. **Greater Minnesota Business Development Infrastructure Grant Program**	10,000,000

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

$1,000,000 is for a grant to the city of North Branch in Chisago County to complete the predesign, design, and construction of a main water line loop, including connections and a main sanitary sewer line with a lift station, in the city of North Branch. The trunk water main loop connection line will provide adequate water volume and pressure for fire protection and suppression for industrial users at the ESSBY Business Park, while the trunk sewer line is required to provide sanitary sewer service to property along the water main loop.

$200,000 is for a matching grant to the Board of Trustees of the Minnesota State Colleges and Universities for Pine Technical College to design, construct, furnish, and equip an entrepreneurship and technology business incubator at Pine Technical College. This appropriation is not available until the board determines that at least an equal match has been committed from nonstate sources, including a grant from the United States Economic Development Administration.

$285,000 is for a grant to the Voyageurs National Park Clean Water Joint Powers Board to predesign a wastewater collection and treatment facility located in the Voyageurs National Park area.

Subd. 3. **Innovative Business Development Public Infrastructure Grant Program**	4,000,000

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

Subd. 4. **Redevelopment Account**	5,000,000

For purposes of the redevelopment account under Minnesota Statutes, sections 116J.571 to 116J.575.

$2,000,000 is for a grant to the city of Lake Elmo. $1,000,000 must be used to design and construct an expansion of the city's water pumping, storage, and distribution system to provide approximately 1,000 additional service hookups and replace a city well lost to contamination by perfluorochemicals (PFC's). $1,000,000 must be used to design and construct the extension of a 16-inch sanitary sewer force main from the Metropolitan Council interceptor on Interstate Highway 94 to 30th Street to the proposed southern edge of the Lake Elmo Village area. This appropriation is not available until the council has determined that at least an equal amount has been committed to the project from nonstate sources.

Notwithstanding Minnesota Statutes, section 16A.642, grant number RDGP-06-0007-0-FY07, awarded in September 2006 to the city of Tower from an appropriation to the redevelopment account in Laws 2005, chapter 20, article 1, section 23, subdivision 11, is available until June 30, 2013.

Subd. 5. **Bemidji - Headwaters Science Center** 475,000

For a grant to the city of Bemidji to predesign and design the Headwaters Science Center, subject to Minnesota Statutes, section 16A.695.

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. 6. **Chatfield - Potter Center for the Arts** 2,200,000

For a grant to the Chatfield Economic Development Authority for site preparation and to predesign, design, construct, furnish, and equip the renovation of Potter Memorial Auditorium and adjacent structures in the city of Chatfield as the Potter Center for the Arts. The economic development authority may enter into leases and management agreements with the city and other entities to provide the programs in the center, subject to Minnesota Statutes, section 16A.695.

Subd. 7. **Duluth Zoo**	200,000

For a grant to the city of Duluth for asset preservation and exhibit renewal at the Duluth Zoo that is needed for the zoo to achieve accreditation. No match is required.

Subd. 8. **Hennepin County**

Minnesota African American History Museum and Cultural Center	840,000

For a grant to Hennepin County to predesign, design, construct, furnish, and equip the renovation of an historic mansion for the Minnesota African American History Museum and Cultural Center in Minneapolis, subject to Minnesota Statutes, section 16A.695.

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

Subd. 9. **Mankato - Civic Center and All Seasons Arenas**	12,000,000

For a grant to the city of Mankato to design, construct, furnish, and equip the expansion of the Civic Center auditorium, including a performing arts theater, and the remodelling and expansion of the Civic Center and

All Seasons arenas, which must include the Southern Minnesota Women's Hockey Exposition Center, for joint use by the city and 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. 10. **Minneapolis - Granary Road Storm Water Infrastructure** 4,000,000

For a grant to the city of Minneapolis to acquire land for, and to predesign, design, and construct, storm water and roadway infrastructure for phase 2 of the proposed Granary Road between 17th Avenue SE and 25th Avenue SE in Minneapolis.

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. 11. **Minneapolis - Orchestra Hall** 16,000,000

For a grant to the city of Minneapolis to predesign, design, construct, furnish, and equip the renovation of Orchestra Hall at its current downtown Minneapolis location, including $2,000,000 for Peavey Plaza. The city of Minneapolis may operate a performing arts center and adjacent property for public recreation and may enter into a lease or management agreement for the improved facilities, subject to Minnesota Statutes, section 16A.695.

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

Subd. 12. **Ramsey County - Rice Street Bioscience Corridor**	5,000,000

For a grant to Ramsey County to reconstruct the Rice Street bridge where it crosses marked Trunk Highway 36 in Ramsey County, and for other improvements of a capital nature to publicly owned infrastructure to support bioscience business development.

Subd. 13. **Rochester - Mayo Civic Center Complex**	28,000,000

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

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

Subd. 14. **St. Cloud - Civic Center Expansion**	13,000,000

For a grant to the city of St. Cloud to predesign, design, construct, furnish, and equip an expansion to the St. Cloud Civic Center, including a parking facility and skyway connection.

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. 15. **St. Louis County - Arrowhead Regional Event Facilities**	250,000

For a grant to St. Louis County as the fiscal agent to provide and improve event facilities in the Arrowhead region as provided in this subdivision. The facilities must have a cooperative agreement to provide training, exhibition, and competition centers for the five community colleges of the Northeast Higher Education District. The St. Louis County Board of Commissioners shall make grants to the cities included in this subdivision, and the cities will retain title to the facilities. Grants may include the following projects:

(a) **Hibbing Memorial Building**

To predesign and design a new addition to the Hibbing Memorial Building. This request includes the American Disabilities Act compliance requirements for the Hibbing Memorial Building to serve as a regional facility for veterans, seniors, and community events.

(b) **Mountain Iron Arrowhead Event Center**

To predesign and design a new Arrowhead event facility in the city of Mountain Iron.

Subd. 16. **St. Paul**

(a) **Asian Pacific Cultural Center** 5,000,000

For a grant to the St. Paul Housing and Redevelopment Authority, to construct, furnish, and equip an Asian-Pacific Cultural Center, subject to Minnesota Statutes, section 16A.695. The appropriation does not require a local match.

(b) **Ordway Center for the Performing Arts** 16,000,000

For a grant to the city of St. Paul to design, construct, furnish, and equip a concert hall of approximately 1,100 seats and support spaces at the Ordway Center for the Performing Arts, subject to Minnesota Statutes, section 16A.695.

Sec. 22. **PUBLIC FACILITIES AUTHORITY**

Subdivision 1. **Total Appropriation**	**$**	**57,000,000**

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

Subd. 2. **State Match For Federal Grants**	30,000,000

(a) To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081.

(b) $10,800,000 of this appropriation shall provide matching funds for the drinking water revolving fund to match the 2011 and 2012 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. 3. **Wastewater Infrastructure Funding Program**	27,000,000

For grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

Up to $2,800,000 may be used as a grant to the city of Williams to undertake corrective action on a system built since 2001 with federal money from USDA Rural Economic and Community Development. This grant is not subject to the 2010 or 2011 project priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.

Sec. 23. **MINNESOTA HOUSING FINANCE AGENCY** **$** **10,000,000**

To the Minnesota Housing Finance Agency for transfer to the housing development fund to finance the costs to rehabilitate, or to replace units lost in a fire, to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and owned and operated by the public housing authorities and agencies formed by cities and counties. Eligible public housing authorities must have a public housing assessment system rating of standard or above. Priority must be given to proposals that maximize federal or local resources to finance the capital costs. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

Sec. 24. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. **Total Appropriation** **$** **13,757,000**

To the Minnesota Historical Society for the purposes specified in this section.

Subd. 2. **Historic Sites Asset Preservation** 3,400,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Subd. 3. **County and Local Preservation Grants**		1,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

$150,000 is for a grant to the city of South St. Paul to renovate the historically significant 1941 Navy Hangar at 310 Airport Road at Fleming Field in the city to meet life safety and building code requirements, subject to Minnesota Statutes, section 16A.695. No local match is required for this grant.

Subd. 4. **Oliver H. Kelley Farm Historic Site**		9,357,000

To complete design and to construct, furnish, and equip the renovation of the Oliver H. Kelley Farm Historic Site, including the site's visitor center and other essential visitor services and site operations facilities.

Sec. 25. **BOND SALE EXPENSES**	**$**	**1,079,000**

(a) $1,064,000 is from the bond proceeds fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

(b) $15,000 is from the bond proceeds account in the trunk highway fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 167.50, subdivision 4.

Sec. 26. **BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $1,003,085,000 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.

Subd. 2. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $5,780,000 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. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Subd. 3. **Transportation fund.** To provide the money appropriated in this act from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $66,000,000 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. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Subd. 4. **Trunk highway fund bond proceeds account.** To provide the money appropriated in this act from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $32,945,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be credited to the bond proceeds account in the trunk highway fund.

Sec. 27. **CANCELLATIONS; BOND SALE AUTHORIZATIONS REDUCED.**

Subdivision 1. **Bureau of Criminal Apprehension.** $525,000 of the appropriation in Laws 2002, chapter 374, article 11, section 7, subdivision 3, as amended by Laws 2002, chapter 393, section 90, for construction of the Bureau of Criminal Apprehension building in Saint Paul, is canceled. The bond sale authorization in Laws 2002, chapter 374, article 11, section 17, is reduced by $525,000.

Subd. 2. **Administration; property acquisition.** $5,131.83 of the appropriation in Laws 2002, chapter 374, article 11, section 7, subdivision 4, for property acquisition, is canceled. The bond sale authorization in Laws 2002, chapter 374, article 11, section 17, is reduced by $5,131.83.

Subd. 3. **Human services.** $23,642.57 of the appropriation in Laws 2002, chapter 374, article 11, section 11, for Department of Human Services asset preservation, is canceled. The bond sale authorization in Laws 2002, chapter 374, article 11, section 17, is reduced by $23,642.57.

Subd. 4. **CAPRA.** $101,485.07 of the appropriation in Laws 2002, chapter 393, section 13, subdivision 2, for the capital asset preservation and replacement account, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by $101,485.07.

Subd. 5. **Administration.** $1,041.79 of the appropriation in Laws 2002, chapter 393, section 13, subdivision 3, for electrical utility infrastructure in the capitol complex, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by $1,041.79.

Subd. 6. **Health and agriculture laboratory.** $10,701.71 of the appropriation in Laws 2002, chapter 393, section 13, subdivision 6, for health and agriculture lab, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by $10,701.71.

Subd. 7. **Minnesota state academies.** $8,730.46 of the appropriation in Laws 2002, chapter 393, section 6, for asset preservation, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by $8,730.46.

Subd. 8. **Human services.** $5,829.55 of the appropriation in Laws 2002, chapter 393, section 22, subdivision 2, for systemwide roof renovation and replacement, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision

1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by $5,829.55.

Subd. 9. **Human services.** $53,695.76 of the appropriation in Laws 2002, chapter 393, section 22, subdivision 3, for asset preservation, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by $53,695.76.

Subd. 10. **Human services.** $77,034.74 of the appropriation in Laws 2002, chapter 393, section 22, subdivision 4, for demolition, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by $77,034.74.

Subd. 11. **Human services.** $8,873.69 of the appropriation in Laws 2002, chapter 393, section 22, subdivision 6, as amended by Laws 2005, chapter 20, article 1, section 43, for the Fergus Falls Regional Treatment Center, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by $8,873.69.

Subd. 12. **Human services.** $3,498 of the appropriation in Laws 2002, chapter 393, section 22, subdivision 7, for the St. Peter Regional Treatment Center, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by $3,498.

Subd. 13. **Veterans Homes Board.** $8,022.83 of the appropriation in Laws 2002, chapter 393, section 23, subdivision 2, for asset preservation, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by $8,022.83.

Subd. 14. **Veterans Homes Board.** $2,000 of the appropriation in Laws 2002, chapter 393, section 23, subdivision 3, for the Hastings Veterans Home utility infrastructure, is canceled. Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, is reduced by $2,000.

Subd. 15. **Phalen Boulevard.** $201,486 of the appropriation in Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 6, for a grant to the city of St. Paul for the Phalen Boulevard project, is canceled. The bond sale authorization in Laws 2003, First Special Session chapter 20, article 1, section 16, as amended by Laws 2008, chapter 179, section 28, is reduced by $201,486.

Subd. 16. **Perpich Center for Arts Education.** $1.12 of the appropriation in Laws 2005, chapter 20, article 1, section 4, subdivision 2, for asset preservation, is canceled.

The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by $1.12.

Subd. 17. **Perpich Center for Arts Education.** $7,480.88 of the appropriation in Laws 2005, chapter 20, article 1, section 4, subdivision 3, for the Beta Building, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by $7,480.88.

Subd. 18. **Administration.** $28,261.71 of the appropriation in Laws 2005, chapter 20, article 1, section 13, subdivision 4, for capitol area parking, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by $28,261.71.

Subd. 19. **Capitol Area Architectural and Planning Board.** $14,140.75 of the appropriation in Laws 2005, chapter 20, article 1, section 14, subdivision 2, for capitol interior renovation, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by $14,140.75.

Subd. 20. **Veterans Homes Board.** $1,863.57 of the appropriation in Laws 2005, chapter 20, article 1, section 21, subdivision 3, for the Luverne home, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by $1,863.57.

Subd. 21. **Veterans Homes Board.** $25,720 of the appropriation in Laws 2005, chapter 20, article 1, section 21, subdivision 5, as amended by Laws 2005, First Special Session chapter 7, section 5, for predesign of a home in Willmar, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by $25,720.

Subd. 22. **Minnesota Correctional Facility - Stillwater.** $1,003,283.99 of the appropriation in Laws 2005, chapter 20, article 1, section 22, subdivision 3, for new segregation unit, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by $1,003,283.99.

Subd. 23. **Minnesota Correctional Facility - Willow River.** $962.09 of the appropriation in Laws 2005, chapter 20, article 1, section 22, subdivision 4, paragraph (a), for an activities building, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by $962.09.

Subd. 24. **Minnesota correctional facility - beds.** $853 of the appropriation in Laws 2005, chapter 20, article 1, section 22, subdivision 4, paragraph (b), for additional beds at Willow River, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by $853.

Subd. 25. **Institute of Nanotechnology.** $600,000 of the appropriation in Laws 2005, chapter 20, article 1, section 23, subdivision 11, as amended by Laws 2006, chapter 171, section 1, and Laws 2008, chapter 179, section 57, for a grant to the city of Rushford for the Institute of Nanotechnology, is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, is reduced by $600,000.

Subd. 26. **Veterans Homes Board.** $7,770.30 of the appropriation in Laws 2006, chapter 258, section 19, subdivision 5, for the Luverne addition, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, as amended by Laws 2007, chapter 45, article 3, section 6, and Laws 2008, chapter 179, section 28, is reduced by $7,770.30.

Subd. 27. **Department of Natural Resources facility damage.** $2,283,263 of the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 5, subdivision 2, to rehabilitate and replace state facilities and restore natural resources in the flood damaged area, is canceled. The bond sale authorization in Laws 2007, First Special Session chapter 2, article 1, section 15, subdivision 1, is reduced by $2,283,263.

Subd. 28. **Department of Transportation; Urban Partnership Agreement.** $9,000,000 of the appropriation in Laws 2008, chapter 152, article 2, section 3, subdivision 4, for the urban partnership agreement, is canceled. The trunk highway bond sale authorization in Laws 2008, chapter 152, article 2, section 7, subdivision 1, is reduced by $9,000,000.

Subd. 29. **Department of Transportation building.** $9,500,000 of the appropriation in Laws 2008, chapter 152, article 2, section 5, for the exterior of the Department of Transportation building in Saint Paul, is canceled. The trunk highway bond sale authorization in Laws 2008, chapter 152, article 2, section 7, subdivision 1, is reduced by $9,500,000.

Subd. 30. **Agriculture.** $2,660 of the appropriation in Laws 2008, chapter 179, section 10, for the potato inspection unit building roof, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, as amended by Laws 2008, chapter 365, section 7, is reduced by $2,660.

Subd. 31. **Bayport storm sewer.** $150,000 of the appropriation in Laws 2008, chapter 179, section 22, subdivision 8, for the Bayport storm sewer, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, as amended by Laws 2008, chapter 365, section 7, is reduced by $150,000.

Subd. 32. **Disaster relief.** $3,900,000 of the appropriation in Laws 2009, chapter 93, article 2, section 3, subdivision 3, for state and local match, is canceled. The bond sale authorization in Laws 2009, chapter 93, article 2, section 13, subdivision 1, is reduced by $3,900,000.

Subd. 33. **2009 authorizations.** (a) The bond sale authorization in Laws 2009, chapter 93, article 1, section 21, subdivision 1, is reduced by $79,375,000.

(b) The bond sale authorization in Laws 2009, chapter 93, article 1, section 21, subdivision 2, is reduced by $5,780,000.

Sec. 28. Minnesota Statutes 2008, section 16A.501, is amended to read:

16A.501 REPORT ON EXPENDITURE OF BOND PROCEEDS.

(a) The commissioner of management and budget must report annually to the legislature on the degree to which entities receiving appropriations for capital projects in previous omnibus capital improvement acts have encumbered or expended that money. The report must be submitted to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee by January 1 of each year.

(b) The commissioner of management and budget must report by January 15 of each year to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over capital investment, finance, and ways and means, on the amount and percentage of each agency's capital appropriation that is used to pay for the costs of staff directly attributable to capital programs or projects funded with state general obligation bond proceeds. The report must also include information on agencies' compliance with the commissioner's policies governing the use of general obligation bond proceeds to pay staff costs and any changes to the commissioner's policies.

Sec. 29. Minnesota Statutes 2009 Supplement, section 16A.647, subdivision 1, is amended to read:

Subdivision 1. **Authority to issue.** When authorized by law to issue state general obligation bonds or state 911 revenue bonds under section 403.275, the commissioner may issue all or part of the bonds as tax credit bonds or as interest subsidy bonds or a combination of the two.

Sec. 30. Minnesota Statutes 2009 Supplement, section 16A.647, subdivision 5, is amended to read:

Subd. 5. **Sale; certain costs of issuance.** Tax credit bonds and interest subsidy bonds must be sold at a price not less than 98 percent of their stated principal amount. No state trunk highway bond may be sold for a price of less than par and accrued interest. When the commissioner determines to issue tax credit bonds or interest subsidy bonds to achieve a net present value debt service savings over tax-exempt bonds, the commissioner may issue an additional principal amount of bonds, not to exceed two percent of the principal amount of bonds otherwise authorized by law to be issued, to pay the costs of investment banking and banking services related to the sale or placement of the bonds, provided the additional issuance will not cause an increase in the general fund debt service transfer for the biennium during which the bonds are sold, as estimated by the commissioner. The proceeds are appropriated for this purpose.

Sec. 31. Minnesota Statutes 2008, section 16A.66, subdivision 2, is amended to read:

Subd. 2. **Special provisions for sale and issuance.** Refunding bonds may be sold publicly, or directly to the State Board of Investment without bids, or may be exchanged for bonds refunded by agreement with their holders. The refunding bonds must be prepared, executed, delivered, and secured in the same way as the refunded bonds. The proceeds of refunding bonds may be deposited, invested, and applied to accomplish the refunding as provided in section 475.67, subdivisions 5 to 10, and 13. Bids for the securities to be purchased for the escrow account may be secured, at the commissioner's election, either through the State Board of Investment or a suitable financial institution. The interest rate on refunding bonds may exceed that on the refunded bonds if the purpose of refunding is to extend the maturities and to reduce the amount needed annually to pay and to secure the debt.

Sec. 32. Minnesota Statutes 2008, section 16B.26, is amended to read:

16B.26 UTILITY COMPANIES, PERMITS TO CROSS STATE-OWNED LANDS.

Subdivision 1. **Easements.** (a) **Authority.** Except where the authority conferred by this section has been imposed on some other state or county office, the commissioner may grant an easement or permit over, under, or across any land owned by the state for ~~the purpose of constructing roads, streets, telephone, telegraph, and electric power lines, cables or conduits, underground or otherwise, or mains or pipe lines for gas, liquids, or solids in suspension~~ public purposes, including but not limited to, access, road, street, mass transit, telecommunication, flood protection, or utility purposes. This authority does not apply to land under the jurisdiction of the commissioner of natural resources or land obtained for trunk highway purposes.

(b) **Notice of revocation.** An easement or permit is revocable by written notice given by the commissioner if at any time its continuance will conflict with a public use of the land over, under, or upon which it is granted, or for any other reason. The notice must be in writing and is effective 90 days after the notice is sent by certified mail to the last known address of the record holder of the easement. If the address of the holder of the easement or permit is not known, it expires 90 days after the notice is recorded in the office of the county recorder of the county in which the land is located. Upon revocation of an easement, the commissioner may allow a reasonable time for the easement holder to vacate the premises affected. Notwithstanding the foregoing, the commissioner may grant to a state agency or political subdivision a permanent easement for the construction, operation, and maintenance of publicly owned infrastructure as described in paragraph (a), to have and to hold for as long as the easement area is used in accordance with the terms and conditions of the easement. If a permanent easement ceases to be used for the purposes stated in the easement or in accordance with its terms and conditions, the easement may be revoked by a written notice given by the commissioner in accordance with this paragraph.

(c) **Easement runs with land.** State land subject to an easement or permit granted by the commissioner remains subject to sale or lease, and the sale or lease does not revoke the permit or easement granted.

Subd. 2. **Land controlled by other agencies.** If the easement or permit involves land under the jurisdiction of an agency other than the Department of Administration, it is subject to the approval of the head of the agency and is subject to revocation by the commissioner as provided in this section, on request of the head of the agency.

Subd. 3. **Application.** An application for easement or permit under this section ~~must be in quadruplicate and~~ must include: a legal description of the land affected; a map showing the area affected by the easement or permit; and a detailed design of any structures to be placed on the land. The commissioner may require that the application be in another form and include other descriptions, maps, or designs. The commissioner may at any time order changes or modifications respecting construction or maintenance of structures or other conditions of the easement which the commissioner finds necessary to protect the public health and safety.

Subd. 4. **Form; duration.** The easement or permit must be in a form prescribed by the attorney general and must describe the location of the easement granted. The easement or permit continues until revoked by the commissioner, subject to change or modification as provided in this section.

Subd. 5. **Consideration; terms.** The commissioner may prescribe consideration and conditions for granting an easement or permit. Money received by the state under this section must be credited to the fund to which income or proceeds of sale from the land would be credited, if provision for the sale is made by law. Otherwise, it must be credited to the general fund.

Sec. 33. **[16B.327] RECYCLING CONSTRUCTION AND DEMOLITION WASTE FROM STATE BUILDINGS; REQUIREMENT.**

The commissioner shall require in contracts for the construction, renovation, or demolition of a state building that the contractor and any subcontractor must divert from deposit in a landfill and must recycle at least 50 percent of the nonhazardous construction and demolition waste, measured by tonnage or volume, produced by the project or demonstrate that the waste was delivered to construction and demolition waste recycling facilities that maintain a 50 percent annual recycling rate. This requirement applies to a project to construct, renovate, or demolish a state building that receives funding from the bond proceeds fund after January 1, 2011, provided that:

(1) the project is located within 40 miles of a construction and demolition waste recycling facility that meets the requirements of this section and can process the applicable building materials; and

(2) for construction and renovation projects, funding from the bond proceeds fund is $5,000,000 or more.

For the purposes of this section, "state building" means a building wholly owned or leased by a state agency, the Minnesota State Colleges and Universities, or the University of Minnesota.

Sec. 34. Minnesota Statutes 2008, section 16B.335, subdivision 1, is amended to read:

Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or any other recipient to whom an appropriation is made to acquire or better public lands or buildings or other public improvements of a capital nature, must not prepare final plans and specifications for any construction, major remodeling, or land acquisition in anticipation of which the appropriation was made until the agency that will use the project has presented the program plan and cost estimates for all elements necessary to complete the project to the chair of the senate Finance Committee and the chair of the house of representatives Ways and Means Committee and the chairs have made their recommendations, and the chair of the house of representatives Capital Investment Committee is notified. "Construction or major remodeling" means construction of a new building, a substantial addition to an existing building, or a substantial change to the interior configuration of an existing building. The presentation must note any significant changes in the work that will be done, or in its cost, since the appropriation for the project was enacted or from the predesign submittal. The program plans and estimates must be presented for review at least two weeks before a recommendation is needed. The recommendations are advisory only. Failure or refusal to make a recommendation is considered a negative recommendation. The chairs of the senate Finance Committee and the house of representatives Capital Investment and Ways and Means Committees must also be notified whenever there is a substantial change in a construction or major remodeling project, or in its cost.

(b) Capital projects exempt from the requirements of this subdivision include demolition or decommissioning of state assets, hazardous material projects, utility infrastructure projects, environmental testing, parking lots, <u>parking structures, park and ride facilities, bus rapid transit stations, light rail lines,</u> exterior lighting, fencing, highway rest areas, truck stations, storage facilities not consisting primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds, athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer separation projects, water and wastewater facilities, port development projects for which the commissioner of transportation has entered into an assistance agreement under section 457A.04, ice centers, a local government project with a construction cost of less than $1,500,000, or any other capital project with a construction cost of less than $750,000.

Sec. 35. <u>**[16B.355] COOPERATIVE LOCAL FACILITIES GRANTS.**</u>

<u>Subdivision 1.</u> <u>**Grants authorized.**</u> <u>The commissioner shall make grants to counties, cities, towns, and school districts to acquire, construct, or renovate public land and buildings and other public improvements of a capital nature for cooperative facilities to be owned and operated by the grantees.</u>

<u>Subd. 2.</u> <u>**Match.**</u> <u>A grant under this section may not be made until the commissioner has determined that at least 30 percent of the total project cost has been committed to the project from nonstate sources.</u>

<u>Subd. 3.</u> <u>**Amount.**</u> <u>No more than one-third of the amount appropriated by any one appropriation act may be granted to any one project.</u>

<u>Subd. 4.</u> <u>**Application.**</u> <u>(a) To be eligible to receive a grant, the grant application must be made to the commissioner on behalf of any combination of at least three counties, cities, towns, or school districts. The grant applicants must have entered into a joint</u>

powers agreement and formed a joint powers board under section 471.59 to govern the facilities. The joint powers board must approve the application by resolution.

(b) The grant application must demonstrate that acquisition, construction, or renovation of the cooperative facilities will improve the delivery of services by the grant applicants and will generate savings to the applicants in operating their buildings and programs.

(c) The commissioner shall prescribe and provide the application form. The application must include at least the following information:

(1) identification of the facilities;

(2) a plan for the facilities;

(3) a description of how the facilities will improve the delivery of governmental services by the applicants;

(4) a detailed estimate, along with necessary supporting evidence, of the total costs for the facilities;

(5) an estimate of the dates when the facilities for which the grant is requested will be contracted for and completed;

(6) a detailed estimate, along with necessary supporting evidence, of the savings in operating costs of buildings and programs that the project will generate;

(7) the manner in which the applicants will meet the local match requirement; and

(8) any additional information or material the commissioner prescribes.

Subd. 5. **Priority.** The commissioner, in consultation with the commissioner of management and budget and the commissioners of other state departments, as appropriate, shall give priority to projects that demonstrate a significant increase in cooperation as measured by one or more of the following criteria:

(1) improved quality, access, transparency, or level of service to citizens;

(2) fundamental change in the organization of service delivery;

(3) substantial savings in operating costs; or

(4) positive return on investment over the life of the facility.

Subd. 6. **Geographic distribution.** At least half the money provided as grants each fiscal biennium must be for projects located outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Sec. 36. Minnesota Statutes 2008, section 85.015, is amended by adding a subdivision to read:

Subd. 28. **Camp Ripley/Veterans State Trail.** The trail shall originate at Crow Wing State Park in Crow Wing County at the southern end of the Paul Bunyan Trail and shall extend from Crow Wing State Park westerly to the city of Pillager, then southerly along the west side of Camp Ripley, then easterly along the south side of Camp Ripley across to the east side of the Mississippi River, and then northerly through Fort Ripley to Crow Wing State Park. A second segment of the trail shall be established that shall extend in a southerly direction and in close proximity to the Mississippi River from the southeasterly portion of the first segment of the trail to the city of Little Falls, and then terminate at the Soo Line Trail in Morrison County.

Sec. 37. Minnesota Statutes 2008, section 103F.161, subdivision 3, is amended to read:

Subd. 3. **Red River basin flood mitigation projects.** Notwithstanding subdivision 2, a grant for implementation of a flood hazard mitigation project in the Red River basin that is consistent with the 1998 mediation agreement and approved by the Red River flood damage reduction work group may be for up to 75 percent of the cost of the proposed mitigation measures ~~for the Agassiz-Audubon, North Ottawa, Hay Creek, and Thief River subwatershed projects~~.

Sec. 38. Minnesota Statutes 2008, section 103F.515, is amended by adding a subdivision to read:

Subd. 10. **Use for mitigation prohibited.** Money made available under the reinvest in Minnesota reserve program may not be used for environmental regulatory or wetland mitigation purposes required under federal or state law.

Sec. 39. Minnesota Statutes 2008, section 116J.435, as amended by Laws 2009, chapter 35, sections 1 and 2, and Laws 2009, chapter 78, article 2, section 12, is amended to read:

116J.435 ~~BIOSCIENCE~~ INNOVATIVE BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM.

Subdivision 1. **Creation of account.** ~~A bioscience~~ An innovative business development public infrastructure account is created in the bond proceeds fund. Money in the account may only be used for capital costs of public infrastructure for eligible ~~bioscience~~ innovative business development projects.

Subd. 2. **Definitions.** For purposes of this section:

(1) "local governmental unit" means a county, city, town, special district, public higher education institution, or other political subdivision or public corporation;

(2) "governing body" means the council, board of commissioners, board of trustees, board of regents, or other body charged with governing a local governmental unit;

(3) "public infrastructure" means publicly owned physical infrastructure in this state, including, but not limited to, wastewater collection and treatment systems, drinking water systems, storm sewers, utility extensions, telecommunications infrastructure, streets, roads, bridges, parking ramps, facilities that support basic science technology and clinical research, and research infrastructure; ~~and~~

(4) "innovative business" means a business that is engaged in, or is committed to engage in, innovation in Minnesota in one of the following: using proprietary technology to add value to a product, process, or service in a high technology field; researching or developing a proprietary product, process, or service in a high technology field; researching, developing, or producing a new proprietary technology for use in the fields of tourism, forestry, mining, transportation, or green manufacturing;

(5) "proprietary technology" means the technical innovations that are unique and legally owned or licensed by a business and includes, without limitation, those innovations that are patented, patent pending, a subject of trade secrets, or copyrighted; and

~~(4)~~ (6) "eligible project" means ~~a bioscience~~ an innovative business development capital improvement project in this state, including: manufacturing; technology; warehousing and distribution; research and development; ~~bioscience~~ innovative business incubator; agricultural ~~bioprocessing~~ processing; or industrial, office, or research park development that would be used by ~~a bioscience-based~~ an innovative business.

Subd. 3. **Grant program established.** (a) The commissioner shall make competitive grants to local governmental units to acquire and prepare land on which public infrastructure required to support an eligible project will be located, including demolition of structures and remediation of any hazardous conditions on the land, or to predesign, design, acquire, construct, furnish, and equip public infrastructure required to support an eligible project. The local governmental unit receiving a grant must provide for the remainder of the public infrastructure costs from other sources. The commissioner may waive the requirements related to an eligible project under subdivision 2 if a project would be eligible under this section but for the fact that its location requires infrastructure improvements to residential development.

(b) The amount of a grant may not exceed the lesser of the cost of the public infrastructure or 50 percent of the sum of the cost of the public infrastructure plus the cost of the completed eligible project.

(c) The purpose of the program is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development through the growth of new ~~bioscience~~ innovative businesses and organizations.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a local governmental unit must include the following information in its application:

(1) a resolution of its governing body certifying that the money required to be supplied by the local governmental unit to complete the public infrastructure is available and committed;

(2) a detailed estimate, along with necessary supporting evidence, of the total development costs for the public infrastructure and eligible project;

(3) an assessment of the potential or likely use of the site for ~~bioscience~~ innovative business activities after completion of the public infrastructure and eligible project;

(4) a timeline indicating the major milestones of the public infrastructure and eligible project and their anticipated completion dates;

(5) a commitment from the governing body to repay the grant if the milestones are not realized by the completion date identified in clause (4); and

(6) any additional information or material the commissioner prescribes.

(b) The determination of whether to make a grant under subdivision 3 is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the priorities are not subject to judicial review, except for abuse of discretion.

Subd. 5. **Priorities.** (a) If applications for grants exceed the available appropriations, grants must be made for public infrastructure that, in the commissioner's judgment, provides the highest return in public benefits for the public costs incurred. "Public benefits" include job creation, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax base maintenance or improvement. In making this judgment, the commissioner shall give priority to eligible projects with one or more of the following characteristics:

(1) the potential of the local governmental unit to attract viable ~~bioscience~~ innovative businesses;

(2) proximity to public transit if located in a metropolitan county, as defined in section 473.121, subdivision 4;

(3) multijurisdictional eligible projects that take into account the need for affordable housing, transportation, and environmental impact;

(4) the eligible project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the eligible project cannot be

reasonably accommodated within the local governmental unit in which the business is currently located, or the business would otherwise relocate to another state or country; and

(5) the number of jobs that will be created.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate.

Subd. 6. **Cancellation of grant.** If a grant is awarded to a local governmental unit and funds are not encumbered for the grant within four years after the award date, the grant must be canceled.

Subd. 7. **Repayment of grant.** If an eligible project supported by public infrastructure funded with a grant awarded under this section is not occupied by ~~a bioscience~~ an innovative business in accordance with the grant application under subdivision 4 within five years after the date of the last grant payment, the grant recipient must repay the amount of the grant received. The commissioner must deposit all money received under this subdivision into the state treasury and credit it to the debt service account in the state bond fund.

Sec. 40. Minnesota Statutes 2008, section 174.50, subdivision 6, is amended to read:

Subd. 6. **Grant ~~rules~~ criteria; rulemaking.** ~~Procedures for application for grants from the fund, conditions for their administration, and criteria for priority, unless established in the laws authorizing the grants, shall be established by rules of the Department of Transportation consistent with those laws.~~ The commissioner of transportation shall adopt rules consistent with this section that establish criteria for determining priorities and amounts of grants ~~shall~~, which must be based on consideration of:

(1) effectiveness of the project in eliminating a deficiency in the transportation system;

(2) number of persons affected by the deficiency;

(3) economic feasibility;

(4) effect on optimum land use and other concerns of state and regional planning;

(5) availability of other financing capability; and

(6) adequacy of provision for proper operation and maintenance after construction.

Sec. 41. Minnesota Statutes 2008, section 174.50, subdivision 7, is amended to read:

Subd. 7. ~~**Rules for administering funds and grants**~~ **Program administration; rulemaking.** (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions.

(b) The maximum use of standardized bridges is encouraged. Regardless of the size of the existing bridge, a bridge or replacement bridge is eligible for assistance from the state transportation fund if a hydrological survey indicates that the bridge or replacement bridge must be ten feet or more in length.

(c) As part of the standards or rules, the commissioner shall, in consultation with local road authorities, establish a minimum distance between any two bridges that cross over the same river, stream, or waterway, so that only one of the bridges is eligible for a grant under this section. As appropriate, the commissioner may establish exceptions from the minimum distance requirement or procedures for obtaining a variance.

(d) Funds appropriated to the commissioner from the Minnesota state transportation fund shall be segregated from the highway tax user distribution fund and other funds created by article XIV of the Constitution.

Sec. 42. Minnesota Statutes 2008, section 256E.37, subdivision 1, is amended to read:

Subdivision 1. **Grant authority.** The commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities for early childhood programs, crisis nurseries, or parenting time centers. The following requirements apply:

(1) The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner must prescribe the terms and conditions of the leases.

(2) A grant for an individual facility must not exceed ~~$300,000~~ $500,000 for each program that is housed in the facility, up to a maximum of ~~$750,000~~ $2,000,000 for a facility that houses three programs or more. Programs include Head Start, School Readiness, Early Childhood Family Education, licensed child care, and other early childhood intervention programs.

(3) State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply program wide and not to individual grants.

Sec. 43. Minnesota Statutes 2008, section 256E.37, subdivision 2, is amended to read:

Subd. 2. **Grant priority.** (a) The commissioner must give priority to:

(1) projects in counties or municipalities with the highest percentage of children living in poverty;

(2) grants that involve collaboration among sponsors of programs under this section; and

(3) where feasible, grants for programs that utilize Youthbuild under sections 116L.361 to 116L.366 for at least 25 percent of each grant awarded or $50,000 of the labor portion of the construction, whichever is less, if:

(i) the work is appropriate for Youthbuild, as mutually agreed upon by the grantee and the local Youthbuild program, considering safety and skills needed;

(ii) it is demonstrated by Youthbuild that using Youthbuild will not increase the overall cost of the project; and

(iii) eligible programs consult with appropriate labor organizations to deliver education and training.

(b) The commissioner may give priority to:

(1) projects that collaborate with child care providers, including all-day and school-age child care programs, special needs care, sick child care, nontraditional hour care, and programs that include services to refugee and immigrant families; ~~and~~

(2) grants for programs that will increase their child care workers' wages as a result of the grant; and

(3) projects that will improve the quality of early childhood programs.

Sec. 44. Minnesota Statutes 2008, section 403.275, subdivision 2, is amended to read:

Subd. 2. **Procedure; certain costs of issuance.** (a) The commissioner may sell and issue the bonds on the terms and conditions the commissioner determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner may enter any agreements or pledges the commissioner determines necessary or useful to sell the bonds that are not inconsistent with sections 403.21 to 403.40. Sections 16A.672 to 16A.675 apply to the bonds. The commissioner may issue all or part of the bonds as tax credit bonds or as interest subsidy bonds under section 16A.647 or a combination of the two. Except for amounts appropriated to pay the costs of investment banking and banking services under section 16A.647, the proceeds of the bonds issued under this section must be credited to a special 911 revenue bond proceeds account in the state treasury.

(b) Before the proceeds are received in the 911 revenue bond proceeds account, the commissioner of management and budget may transfer to the account from the 911 emergency telecommunications service account amounts not exceeding the expected proceeds from the next bond sale. The commissioner of management and budget shall return these amounts to the 911 emergency telecommunications service account by transferring proceeds when received. The amounts of these transfers are appropriated from the 911 emergency telecommunications service account and from the 911 revenue bond proceeds account.

Sec. 45. Minnesota Statutes 2008, section 462A.36, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to ~~$30,000,000~~ $36,000,000 of nonprofit housing bonds in one or more series to which the payments made under this section may be pledged. The nonprofit housing bonds authorized in this subdivision may be issued for the purpose of making loans, on terms and conditions the agency deems appropriate, to finance the costs of the construction, acquisition, preservation, and rehabilitation of permanent supportive housing for individuals and families who: (1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or (2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years. The bonds may also be issued to finance the costs of the construction, acquisition, preservation, and rehabilitation of foreclosed or vacant housing to be used for affordable rental housing.

(b) An insubstantial portion of the bond proceeds may be used for permanent supportive housing for individuals and families experiencing homelessness who do not meet the criteria of paragraph (a).

Sec. 46. Laws 2005, chapter 20, article 1, section 19, subdivision 4, is amended to read:

Subd. 4. **Red Rock Corridor Transit Way** 500,000

For preliminary engineering and environmental review, acquisition of real property or interests in real property, and construction of the Red Rock corridor transit way from Hastings through St. Paul to Minneapolis.

This appropriation may not be spent for capital improvements within a trunk highway right-of-way.

Sec. 47. Laws 2005, chapter 20, article 1, section 23, subdivision 12, as amended by Laws 2006, chapter 171, section 2, and Laws 2006, chapter 258, section 50, is amended to read:

Subd. 12. **Bioscience Development** 18,500,000

For grants to political subdivisions to predesign, design, acquire, construct, furnish, and equip publicly owned infrastructure required to support bioscience development in this state.

$2,500,000 is for a grant to the city of Worthington.

$14,000,000 cumulatively is for grants to the counties of Ramsey and Anoka for public improvements to the portion of County Road J located within each county, and for road and bridge improvement costs at marked Trunk Highway 36 and Rice Street in Ramsey County in support of bioscience business development. This amount may be used to repay loans the proceeds of which were used for the public improvement. The grants to the individual counties shall be in amounts proportionate to the individual counties' costs associated with the public improvements.

$2,000,000 is for bioscience business development public infrastructure grants under new Minnesota Statutes, section 116J.435.

Sec. 48. Laws 2006, chapter 258, section 5, subdivision 3, is amended to read:

Subd. 3. **~~Frechette Hall~~ Asset Preservation** 25,000

~~To begin to design the renovation of Frechette Hall, including a new electrical system, new HVAC system, new windows, plumbing upgrades, removal of the fireplace and sunken seating in the commons area, addition of recreational space for students to utilize during inclement weather, and repair~~

~~of the Scout Cabin.~~ For asset preservation on either campus of the academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 49. Laws 2006, chapter 258, section 8, subdivision 4, is amended to read:

Subd. 4. **Koochiching Renewable Energy Clean Air Project (RECAP)**	2,500,000

For a grant to Koochiching County ~~to prepare a site for and~~ or the Koochiching Development Authority to design~~, construct, and equip~~ a plasma torch gasification facility that converts municipal solid waste into energy and slag, reducing the need to dispose of the waste in a landfill.

After the design has been completed, this appropriation may be used for any or all or any combination of the following: (1) to upgrade an existing waste transfer station in Koochiching County to serve the facility by performing site work, construction, or placement of equipment; or (2) to prepare a site for or to construct or equip a portion of the plasma torch gasification facility.

This appropriation, or any portion of it, is ~~not~~ available ~~until the commissioner has determined that at least an equal amount has been committed to the project~~ as matched, dollar for dollar, with money from nonstate sources.

Sec. 50. Laws 2006, chapter 258, section 17, subdivision 5, is amended to read:

Subd. 5. **Red Rock corridor transit way**	500,000

For preliminary engineering and environmental review, acquisition of real property or interests in real property, and construction of the Red Rock corridor transit way between Hastings and Minneapolis via St. Paul.

Sec. 51. Laws 2006, chapter 258, section 21, subdivision 4, as amended by Laws 2009, chapter 93, article 1, section 34, is amended to read:

Subd. 4. **Hibbing Wastewater Treatment Facilities**	2,500,000

To the Public Facilities Authority for a grant to the city of Hibbing for mercury treatment facilities at the south wastewater treatment plant and for wastewater and storm water infrastructure improvements. This appropriation is not available until the authority determines that at least an equal amount is committed to the project from nonstate sources.

Sec. 52. Laws 2006, chapter 258, section 21, subdivision 14, as amended by Laws 2008, chapter 179, section 66, is amended to read:

Subd. 14. **Itasca County - infrastructure**	12,000,000

For a grant to Itasca County for public infrastructure needed to support a steel plant in Itasca County and economic development projects in the surrounding area. Grant money may be used by Itasca County and the Itasca County Regional Railroad Authority to acquire right-of-way and mitigate loss of wetlands and runoff of storm water~~,~~ and to predesign, design, construct, and equip roads and rail lines~~,~~; and~~, in cooperation with Nashwauk Municipal Utility,~~ may be used by the Nashwauk Public Utilities Commission to acquire right-of-way and mitigate loss of wetlands and runoff of storm water and to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. If the county determines that any of the listed uses are not needed, then the grant may be used for the remaining listed uses.

The public ownership requirement contained in article XI, section 5, paragraph (a), of the Minnesota Constitution may be satisfied by way of Itasca County, the Itasca County Regional Railroad Authority, or the Nashwauk Public Utilities Commission possessing the required ownership interest even though the grant is only to Itasca County.

Up to $4,000,000 of this appropriation may be spent before the full financing for either project has been closed.

Sec. 53. Laws 2008, chapter 152, article 2, section 3, subdivision 2, is amended to read:

Subd. 2. **State Road Construction** 1,717,694,000

(a) For the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual payments to landowners for lands acquired for highway rights-of-way, payments to lessees, interest subsidies, and relocation expenses. This appropriation is in the following amounts:

(1) $417,694,000 in fiscal year 2009, and the commissioner may use up to $71,008,000 of this amount for program delivery;

(2) $500,000,000 in fiscal year 2010, and the commissioner may use up to $85,000,000 of this amount for program delivery; ~~and~~

(3) $200,000,000 in each fiscal year for fiscal years 2011 and 2012, and the commissioner may use up to $34,000,000 of the amount in each fiscal year for program delivery; and

(4) $100,000,000 in each fiscal year for fiscal years ~~2011 through 2018~~ 2013 through 2016, and the commissioner may use up to $17,000,000 of the amount in each fiscal year for program delivery.

(b) Of the amount in fiscal year 2009, $40,000,000 is for construction of interchanges involving a trunk highway, where the interchange will promote economic development, increase employment, relieve growing traffic congestion, and promote traffic safety. The amount under this paragraph must be allocated 50 percent to the department's metropolitan district, and 50 percent to districts in greater Minnesota.

(c) Of the amount in fiscal years 2009 and 2010, the commissioner shall use $300,000,000 each year for predesign, design, preliminary engineering, right-of-way acquisition, construction, reconstruction, and maintenance of bridges in the trunk highway bridge improvement program under Minnesota Statutes, section 165.14.

(d) Of the total appropriation under this subdivision, the commissioner shall use at least $50,000,000 for accelerating transit facility improvements on or adjacent to trunk highways.

(e) Of the total appropriation under this subdivision provided to the Department of Transportation's district 7, the commissioner shall first expend funds as necessary to accelerate all projects that (1) are on a trunk highway classified as a medium priority interregional corridor, (2) are included in the district's long-range transportation plan, but are not included in the state transportation improvement program or the ten-year highway work plan, and (3) expand capacity from a two-lane highway to a freeway or expressway, as defined in Minnesota Statutes, section 160.02, subdivision 19. The commissioner shall establish as the highest priority under this paragraph any project that currently has a final environmental impact statement completed. The requirement under this paragraph does not change the department's funding allocation process or the amount otherwise allocated to each transportation district.

(f) The appropriation in this subdivision cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget shall count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are to be issued, as specified under paragraph (a), clause (1), (2), (3), or (4), respectively, and not as the date of enactment of this subdivision.

Sec. 54. Laws 2008, chapter 179, section 5, subdivision 4, is amended to read:

Subd. 4. **~~Mott Memorial Hall~~ Technology Center**	100,000

To predesign ~~the renovation of Mott Memorial Hall~~ a technology center for the Minnesota State Academies.

Sec. 55. Laws 2008, chapter 179, section 7, subdivision 8, is amended to read:

Subd. 8. **Mississippi River Aquatic Invasive Species Barrier**	500,000

To predesign ~~and~~, design, renovate, or construct an adequate barrier in the Mississippi River to prevent aquatic invasive species from migrating up river. ~~This money may be used by the commissioner to match available federal money and money from other states. The commissioner must inform and work with affected federal and state agencies and local communities along the Mississippi River before constructing the river barrier.~~

Sec. 56. Laws 2008, chapter 179, section 7, subdivision 27, is amended to read:

Subd. 27. **State Trail Acquisition, Rehabilitation, and Development**	15,320,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015.

$970,000 is for the Chester Woods Trail from Rochester to Dover.

$700,000 is for the Casey Jones Trail.

$750,000 is for the Gateway Trail, to replace an at-grade crossing of the Gateway Trail at Highway 120 with a grade-separated crossing.

$1,600,000 is for the Gitchi-Gami Trail between Silver Bay and Tettegouche State Park.

$1,500,000 is for the Great River Ridge Trail from Plainview to Elgin to Eyota.

$1,500,000 is for the Heartland Trail.

$500,000 is for the Mill Towns Trail from Lake Byllesby Park to Cannon Falls.

$150,000 is for the Mill Towns Trail within the city of Faribault.

$1,500,000 is for the Minnesota River Trail from Appleton ~~to~~ through Milan to the Marsh Lake Dam.

$2,000,000 is for the Paul Bunyan Trail from Walker to Guthrie.

$250,000 is for the Root River Trail from Preston to Forestville State Park.

$100,000 is for the Root River Trail, the eastern extension.

$250,000 is for the Root River Trail, the eastern extension Wagon Wheel.

$550,000 is to connect the Stagecoach Trail with the Douglas Trail in Olmsted County.

$3,000,000 is to rehabilitate state trails.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project in this subdivision. The chairs of the house and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Sec. 57. Laws 2008, chapter 179, section 21, subdivision 9, is amended to read:

Subd. 9. **Itasca County - Steel Plant Infrastructure**	28,000,000

For a grant to Itasca County for public infrastructure needed to support a steel plant in Itasca County and economic development projects in the surrounding area. Grant money may be used by Itasca County and the Itasca County Regional Railroad Authority to acquire right-of-way and mitigate loss of wetlands and runoff of storm water~~,~~ and to predesign, design, construct, and equip roads and rail lines~~,~~; and ~~in cooperation with~~ may be used by the Nashwauk ~~Municipal Utility,~~ Public Utilities Commission to acquire right-of-way and mitigate loss of wetlands and runoff of storm water and to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. If the county determines that any of the listed uses are not needed, then the grant may be used for the remaining listed uses.

The public ownership requirement contained in article XI, section 5, paragraph (a), of the Minnesota Constitution may be satisfied by way of Itasca County, the Itasca County Regional Railroad Authority, or the Nashwauk Public Utilities Commission possessing the required ownership interest even though the grant is only to Itasca County.

Sec. 58. Laws 2008, chapter 365, section 4, subdivision 3, is amended to read:

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

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

Sec. 59. Laws 2008, chapter 365, section 5, subdivision 2, is amended to read:

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

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

To demolish Building 9 ~~and~~, relocate a water main serving the campus, and make associated site improvements and modifications necessary to complete the project. This appropriation is to cover 100 percent of the cost of this portion of the project.

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

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

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

Sec. 60. Laws 2008, chapter 365, section 24, subdivision 2, is amended to read:

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. After acquisition of lands for Lake Vermilion State Park, but before any infrastructure development for the state park, public access and use, including, but not limited to, hunting, fishing, and trail use, shall continue as allowed before the acquisition. No additional restrictions may be implemented for public access and use until development of state park infrastructure commences.

Sec. 61. Laws 2008, chapter 365, section 25, is amended to read:

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. 62. Laws 2009, chapter 93, article 1, section 11, subdivision 5, is amended to read:

Subd. 5. **Intercity Passenger Rail Projects** 26,000,000

To implement capital improvements and betterments for intercity passenger rail projects as identified in the statewide freight and passenger rail plan under Minnesota Statutes, section 174.03, subdivision 1b, which are determined to be eligible for USDOT funding. Notwithstanding any law to the contrary, a portion or phase of an intercity passenger rail project may be accomplished with one or more state appropriations, and an intercity passenger rail project need not be completed with any one appropriation. Capital improvements and betterments include preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, and construction. The commissioner may spend a portion of this appropriation to pay for costs of agency staff directly attributable to this capital project, consistent with the accounting policies adopted by the commissioner of management and budget.

Sec. 63. Laws 2009, chapter 93, article 1, section 20, is amended to read:

Sec. 20. **BOND SALE SCHEDULE.**

The commissioner of ~~finance~~ management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2011, no more than ~~$1,085,281,000~~ $958,113,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of ~~finance~~ management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 64. **LEASE REVENUE; ST. CLOUD TECHNICAL COLLEGE.**

Notwithstanding Minnesota Statutes, section 16A.695, subdivision 2, the Board of Trustees of the Minnesota State Colleges and Universities shall pay the commissioner of management and budget one-third of the lease revenue received from the property acquired for St. Cloud Technical College pursuant to Laws 2006, chapter 258, section 3, subdivision 22, paragraph (c). The commissioner shall deposit the amount received in the state bond fund to be used to pay, redeem, or defease bonds issued to finance the property in accordance with the commissioner's order authorizing their issuance. The commissioner shall credit the board's total general obligation bond debt service assessment by an amount equal to the lease revenue it receives from the board under this section.

Sec. 65. **REPEALER.**

Laws 2009, chapter 93, article 1, section 45, is repealed.

Sec. 66. **EFFECTIVE DATE.**

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

Laws 2009, chapter 93, article 1, section 45

Sec. 45. **DEMOLITION OF ROCK ISLAND BRIDGE PROHIBITED FOR TWO YEARS.**

The Department of Transportation, Dakota County, or any other public body is prohibited from demolishing or otherwise removing all or any portion of JAR 5600, commonly known as the Rock Island Bridge, or causing its demolition or removal.

EFFECTIVE DATE. This section is effective the day following final enactment and expires two years following its effective date.