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; establishing new programs and modifying existing programs; cancelling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.335, subdivision 2; 116J.423, by adding a subdivision; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 17; 23, subdivision 16; Laws 2006, chapter 258, sections 7, subdivisions 11, 22; 21, subdivision 6; 23, subdivision 3.

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 the capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

University of Minnesota	$	129,333,000
Minnesota State Colleges and Universities		128,675,000
Minnesota State Academies		6,017,000
Perpich Center for Arts Education		999,000
Natural Resources		67,500,000
Pollution Control Agency		24,605,000
Board of Water and Soil Resources		30,020,000
Zoological Garden		7,500,000

Administration		39,422,000
Military Affairs		8,000,000
Public Safety		8,655,000
Transportation		325,410,000
Metropolitan Council		97,075,000
Human Services		9,500,000
Veterans Affairs		42,061,000
Corrections		32,000,000
Employment and Economic Development		96,483,000
Public Facilities Authority		46,400,000
Minnesota Historical Society		5,000,000
Bond Sale Expenses		1,050,000
Cancellations		**(17,262,000)**
TOTAL	**$**	**1,088,443,000**
Bond Proceeds Fund (General Fund Debt Service)		964,878,000
Bond Proceeds Fund (User Financed Debt Service)		29,262,000
Bond Proceeds Fund (Trunk Highway Fund Debt Service)		78,080,000
State Transportation Fund		255,000,000
General Fund		16,223,000
Bond Proceeds Cancellations		(17,262,000)
	APPROPRIATIONS	

Sec. 2. **UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation** **$** **129,333,000**

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)** 40,000,000

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

Subd. 3. **Science Teaching Student Services** 48,333,000

To design, construct, furnish, and equip a new science teaching and student services building on the Twin Cities campus near the Washington Avenue Bridge. This appropriation includes money to demolish the existing science classroom building and

to construct infrastructure required to serve the new building.

Subd. 4. **Civil Engineering Addition** 10,000,000

To design, construct, furnish, and equip an addition to Voss-Kovach Hall on the University of Minnesota Duluth campus for the Department of Civil Engineering. The addition will include teaching laboratories, research laboratories, classrooms, and administrative offices.

Subd. 5. **Community Services Building Renovation** 5,000,000

To design, construct, furnish, and equip a renovation of the Community Services Building on the University of Minnesota Morris campus to serve as the campus gateway center. This appropriation includes money to improve infrastructure required to serve the renovated building.

Subd. 6. **Folwell Hall** 26,000,000

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

Subd. 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 finance, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means 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**	**$**	**128,675,000**

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

Subd. 2. **Higher Education Asset Preservation and Replacement**	40,000,000

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

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

Trafton Science Center Renovation

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

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

Brown Science Hall Renovation

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

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

Transportation and Applied Technology Lab

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

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

Sattgast Science Building Addition and Renovation

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

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

Classroom Addition and Renovation

To complete design, construct, furnish, and equip an addition to and renovation of the Health and Wellness Building at Normandale Community College for general classrooms,

and to renovate physical education spaces. This appropriation includes funding to install an elevator to make the building ADA accessible.

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

Classroom Addition and Renovation

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

Subd. 9. **Systemwide Science Lab Initiatives** 5,775,000

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

Subd. 10. **Debt Service**

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

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

Subd. 11. **Unspent Appropriations**

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, the Board of Trustees must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means and Finance Committees 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 requirements under subdivision 10 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **MINNESOTA STATE ACADEMIES.**

Subdivision 1. **Total Appropriation**	**$**	**6,017,000**
To the commissioner of administration for the purposes specified in this section.		
Subd. 2. **Asset Preservation**		2,716,000
For asset preservation on both campuses of the academies, to be spent in accordance with Minnesota Statutes, section 16B.307.		

Subd. 3. **Mott Hall Vocational Renovation** 3,301,000

(a) To predesign, design, construct, furnish, and equip a renovation of Mott Hall to provide classroom studios, workshops, related spaces, and necessary building infrastructure upgrades for the academy to provide updated vocational education to students.

(b) In addition to its powers under Minnesota Statutes, section 125A.64, the board of the Minnesota State Academies may enter into agreements with Shattuck-St. Mary's to provide vocational programming in the renovated building, subject to Minnesota Statutes, section 16A.695.

Sec. 5. **PERPICH CENTER FOR ARTS EDUCATION**

Subdivision 1. **Total Appropriation** **$** **999,000**

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

Subd. 2. **Master Plan Update and Predesign** 206,000

To predesign facilities and projects in conjunction with an update to the campus master plan for the Perpich Center for Arts Education. The predesign must address the possible removal of the existing Alpha building.

Subd. 3. **Asset Preservation** 355,000

For campus asset preservation at the Perpich Center for Arts Education, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 4. **Delta Dorm Windows Project** 385,000

For a whole-building window replacement project of the Delta Dormitory building on the Perpich Center for Arts Education campus.

Subd. 5. **Storage Building** 53,000

To construct a prefabricated storage and workshop building, and connect utilities to it, next to the existing maintenance and boiler room.

Sec. 6. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation** **$** **67,500,000**

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. **Vermilion State Park Acquisition and Development** .....

To acquire land for Lake Vermillion State Park, and to predesign, design, construct, furnish, and equip park facilities for the development of the park. Debt service on the bonds sold to acquire and develop the park is annually appropriated and must be paid from the environment and natural resources trust fund to the commissioner of finance as required by Minnesota Statutes, section 16A.643.

Subd. 3. **Flood Hazard Mitigation Grants** 15,000,000

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.

The commissioner shall determine project priorities as appropriate, based on need. To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, Granite Falls, Montevideo, Oakport Township, or Roseau exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

Subd. 4. **Dam Renovation and Removal** 2,000,000

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

Subd. 5. **Ground Water Monitoring and Observation Wells** 1,000,000

To install new ground water level observation wells to monitor and assess ground water for water supply planning. This appropriation may also be used to seal existing obsolete monitoring wells that are no longer functional.

Subd. 6. **Wildlife Area Land Acquisition and Improvement** 10,000,000

To acquire land for wildlife 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, subdivision 8.

Subd. 7. **Forest Land Easements** 9,000,000

To acquire fee titles and easements on private forest lands. The easements must guarantee public access, including hunting and fishing.

Subd. 8. **Shoreline and Aquatic Habitat Acquisition (AMA)** 1,000,000

To acquire land and interests in land for aquatic management areas and to make public improvements and betterments of a capital nature to aquatic management areas established under Minnesota Statutes, section 86A.05, subdivision 14.

Subd. 9. **State Forest Land Reforestation** 3,000,000

To meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2.

Subd. 10. **Native Prairie Conservation and Protection** 3,000,000

To acquire native prairie bank fee titles and easements under Minnesota Statutes, section 84.96, to develop and restore certain tracts of prairie bank lands for which the easement is permanent, and to acquire native prairie for scientific and natural areas, and for the native prairie protection and improvements of a capital nature in scientific and natural areas in the prairie region under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5.

Subd. 11. **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.

Subd. 12. **Scientific and Natural Area Acquisition and Development** 1,000,000

To acquire land for scientific and natural areas and for protection and improvements of a capital nature to scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5.

Subd. 13. **Fish Hatchery Improvements** 1,000,000

To renovate fish culture facilities at hatcheries owned by the state and operated by the commissioner of natural resources under Minnesota Statutes, section 97A.045, subdivision 1.

Subd. 14. **Water Control Structures** 500,000

To rehabilitate or replace water control structures used to manage shallow lakes and wetlands for waterfowl habitat on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, or for the purposes of public water reserves under Minnesota Statutes, section 97A.101; or structures on other waters under Minnesota Statutes, section 103G.505.

Subd. 15. **State Trail Rehabilitation** 3,000,000

To rehabilitate or renovate state trails under Minnesota Statutes, section 85.015.

Subd. 16. **Water Access Acquisition, Development, and Fishing Piers** 1,000,000

For public water access acquisition, construction, and renovation projects of a capital nature on lakes and rivers, fishing piers, and shoreline access under Minnesota Statutes, section 86A.05, subdivision 9.

Subd. 17. **State Park Rehabilitation and Development** 10,000,000

To rehabilitate and develop facilities in state parks and state recreation areas in accordance with a master plan required under Minnesota Statutes, section 86A.09.

Subd. 18. **Drill Core Library and Field Office Renovation** 1,000,000

To design, construct, furnish, and equip an addition to the minerals drill core library facility in Hibbing.

Subd. 19. **Statewide Asset Preservation** 2,000,000

For the renovation of state-owned facilities operated by the commissioner of natural resources, to be spent in accordance with Minnesota Statutes, section 16B.307. The commissioner may use this appropriation to replace buildings if that is the most cost-effective method of renovation.

Subd. 20. **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. 21. **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. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred for asset preservation.

Sec. 7. **POLLUTION CONTROL AGENCY**

Subdivision 1. **Total Appropriation**	**$**	**24,605,000**
To the Pollution Control Agency for the purposes specified in this section.		
Subd. 2. **Closed Landfill Program**		15,000,000
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.		
Subd. 3. **Capital Assistance Program**		9,605,000
For the solid waste capital assistance grants program under Minnesota Statutes, section 115A.54.		

Sec. 8. **BOARD OF WATER AND SOIL RESOURCES**

Subdivision 1. **Total Appropriation**	**$**	**30,020,000**
To the Board of Water and Soil Resources for the purposes specified in this section.		
Subd. 2. **RIM Reserve Program**		21,800,000
Of this appropriation, $1,800,000 is from the general fund to administer the program.		
To acquire conservation easements from landowners to restore and preserve wetlands and riparian lands in order to protect soil and water quality and to support fish and wildlife habitat and 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 native vegetation.		

Subd. 3. **Wetland Replacement Due to Public Road Projects** 4,920,000

Of this appropriation, $720,000 is from the general fund to administer the program.

To acquire land for wetland restoration or preservation to replace wetlands drained or filled as a result of the repair, rehabilitation, reconstruction, or replacement of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m).

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.

Subd. 4. **RIM Clean Energy** 3,300,000

Of this appropriation, $300,000 is from the general fund to administer the program.

For a pilot project of a capital nature under Minnesota Statutes, section 103F.518, to acquire land in fee title or through easement and to improve the land in order to demonstrate the technical and economic feasibility of developing biofuels using native plant species. 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 native vegetation.

The board shall annually report project progress and results to the house and senate committees and divisions with jurisdiction over environment and natural resources policy and budget.

Sec. 9. **MINNESOTA ZOOLOGICAL GARDEN** **$** **7,500,000**

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

Sec. 10. **ADMINISTRATION**

Subdivision 1. **Total Appropriation** **$** **39,422,000**

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

Subd. 2. **DOT Exterior Renovation** 18,197,000

This appropriation is from the bond proceeds account in the trunk highway fund to renovate the exterior of the Department of Transportation Building at 395 John Ireland Boulevard in St. Paul.

Subd. 3. **Property Acquisition** 2,325,000

To acquire property at 639 Jackson Street in St. Paul adjacent to the Harold E. Stassen Building, to demolish existing structures on the property, and to develop temporary parking on the site and adjacent areas.

Subd. 4. **State Capitol Building Restoration** 15,400,000

(a) For asset preservation of the State Capitol Building, including but not limited

to: site work to stabilize the plaza; repair, replacement, and stabilization of the building's exterior envelope; replacement of air handling units at risk of failure; and projects to improve interior emergency lighting, dome lighting, and catwalks.

(b) Of this appropriation, $2,000,000 is for predesign and to continue design of a phased full restoration of the Capitol building. The predesign work must also include analysis of options for moving some functions currently located in the building to alternate locations.

(c) The appropriation in paragraph (b) is added to the funding provided to the commissioner by Laws 2006, chapter 258, section 13, to continue design work to restore the Capitol building.

Subd. 5. **Capital Asset Preservation and Replacement Account (CAPRA)** 3,000,000

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

Subd. 6. **Predesign for State EOC, DPS/DOC Building** 500,000

(a) To predesign a new state emergency operations center. The predesign must consider the potential benefits of colocating this center with a new National Guard joint force headquarters and emergency operations center.

(b) If other funding is available or if this appropriation is not fully spent to complete the predesign under paragraph (a), the unspent portion of this appropriation may be used to predesign a colocated headquarters

for the Departments of Public Safety and Corrections.

Sec. 11. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation**	**$**	**8,000,000**
To the adjutant general for the purposes specified in this section.		
Subd. 2. **Asset Preservation**		5,500,000
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**		1,500,000
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. **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. 12. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**	**$**	**8,655,000**

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

Subd. 2. **Public Safety Training Facilities** 8,655,000

(a) Of this appropriation, $5,000,000 is to predesign, design, construct, furnish, and equip Phase 1 of a Homeland Security and Emergency Management training and exercising center at Camp Ripley, including a simulated emergency operations center and field training structures such as collapsed structures. Any unspent portion of this appropriation may be used to begin predesign for Phase 2 of this project.

(b) Of this appropriation, $3,655,000 is to the commissioner of public safety for a grant to Olmsted County to construct a regional specialized training center for southeastern Minnesota, located in Olmsted County. The facility must include a live burn training simulator, a driving range, and a weapons training facility. The center will meet the objectives laid out in statewide master plans for fire and law enforcement training facilities or by subsequent work groups. This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed from nonstate sources.

Sec. 13. **TRANSPORTATION**

Subdivision 1. **Total Appropriation** **$ 325,410,000**

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

Subd. 2. **Local Bridge Replacement and Rehabilitation** 225,000,000

This appropriation is from the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal money and to replace or rehabilitate local deficient bridges. Political subdivisions may use grants made under this subdivision to construct or reconstruct bridges, including:

(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 cost efficient than the replacement of the existing bridge.

Subd. 3. **Local Road Improvement Program** 30,000,000

This appropriation is from the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50.

Of this appropriation, $15,000,000 is for grants to statutory or home rule charter cities,

towns, or counties under Minnesota Statutes, section 174.52, subdivision 4.

Of this appropriation, $15,000,000 is for grants to counties under Minnesota Statutes, section 174.52, subdivision 4a.

Subd. 4. **Urban Partnership Agreement** 33,778,000

(a) Of this appropriation, $9,000,000 is from the general fund for expenses related to technology improvements, telecommuting, and outreach efforts for the Urban Partnership Agreement. This appropriation is onetime and is available until June 30, 2011.

(b) Of this appropriation, $24,778,000 is from the bond proceeds account in the trunk highway fund for trunk highway improvements necessary to implement the Urban Partnership Agreement. $400,000 of the appropriation under this paragraph is for construction of a transit-only lane from marked Trunk Highway 77 to marked Trunk Highway 62.

(c) The appropriation under this subdivision is not available until the United States Department of Transportation authorizes funding under the Urban Partnership Agreement.

Subd. 5. **Mankato District Headquarters** 23,983,000

This appropriation is from the bond proceeds account in the trunk highway fund to design, construct, furnish, and equip a new Department of Transportation district headquarters facility in Mankato.

Subd. 6. **Chaska Truck Station** 8,649,000

This appropriation is from the bond proceeds account in the trunk highway fund to design, construct, furnish, and equip a new Department of Transportation truck station in Chaska.

Subd. 7. **Design for Rochester and Maple Grove Truck Stations** 2,000,000

This appropriation is from the bond proceeds account in the trunk highway fund for predesign and design of improvements to the Rochester truck station and for predesign and design of a new truck station in Maple Grove.

Subd. 8. **St. Cloud Regional Airport** 2,000,000

For a grant to the city of St. Cloud to acquire land adjacent to the St. Cloud Regional Airport.

Sec. 14. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation** **$** **97,075,000**

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

Subd. 2. **Central Corridor Light Rail Transit** 70,000,000

(a) For one or more of the following activities for the Central Corridor light rail transit line that will connect downtown Minneapolis with downtown St. Paul: preliminary engineering, final design, property acquisition, including improvements and betterments of a capital nature, relocation of utilities owned by public entities, and construction. No more than $20,000,000 of the appropriation may be used for preliminary engineering.

(b) The appropriation in this subdivision is not available until the commissioner of

finance has determined that the Hennepin County Regional Rail Authority and the Ramsey County Regional Rail Authority have each adopted, by August 1, 2008, a resolution committing to fund one-third of the local and state share of funding for complete Central Corridor light rail transit line capital project costs.

(c) Except for the amount available for preliminary engineering, this appropriation is not available to fund any of the activities listed in paragraph (a) until the commissioner of finance has determined that the Metropolitan Council, the Hennepin County Regional Rail Authority, and the Ramsey County Regional Rail Authority have entered, by December 31, 2008, into a Central Corridor Light Rail Transit Project Cooperative Funding Agreement for Final Design to provide a mechanism for the transfer of funds from the regional rail authorities to the council for partial funding for the final design portion of the project. The agreement shall require that the contributions by the regional rail authorities shall achieve and maintain, during the period of final design, not less than one-third of the nonfederal contribution for the costs of both preliminary engineering and final design.

Subd. 3. **Metropolitan Regional Parks Capital Improvements** 6,000,000

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.

Subd. 4. **Urban Partnership Agreement** 21,075,000

(a) Of this appropriation, $4,003,000 is from the general fund for the purchase of buses and technology improvements for the Urban Partnership Agreement. The appropriation under this paragraph is onetime and is available until June 30, 2011.

(b) $8,360,000 of this appropriation is to acquire land, design, and construct new or expanded park-and-rides or transit stations in the Interstate 35W and Trunk Highway 77/Cedar Avenue corridors.

(c) $8,312,000 of this appropriation is for bus lane construction and related street and sidewalk improvements and bus shelters in downtown Minneapolis. Up to $6,433,000 of this appropriation is for a grant to the city of Minneapolis for bus lane construction and related street and sidewalk improvements in downtown Minneapolis.

(d) $400,000 of this appropriation is from the bond proceeds account in the trunk highway fund and is for construction of a park-and-ride lot along Interstate 35W in Lakeville.

(e) The appropriation under this subdivision is not available until the United States Department of Transportation authorizes funding under the Urban Partnership Agreement.

Sec. 15. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **$ 9,500,000**

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

Subd. 2. **Asset Preservation and Safety Security** 5,000,000

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. **Systemwide Campus Redevelopment, Reuse, or Demolition** 4,500,000

To demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services campuses. These projects must facilitate the redevelopment or reuse of these campuses consistent with redevelopment plan concepts developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision.

Sec. 16. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation** **$** **42,061,000**

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

Subd. 2. **Asset Preservation** 7,000,000

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. **Minneapolis Veterans Home Campus**

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

To demolish Building 9 and relocate a water main serving the campus.

(b) **Building 17 HVAC Replacement** 7,835,000

To replace the sections of the campus-wide heating, ventilation, and air conditioning system that serves Building 17.

Federal money received by the Minnesota Department of Veterans Affairs as reimbursement for 65 percent of this state capital expenditure must be credited to the debt service account in the state bond fund.

(c) **New Nursing Facility** 25,999,000

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

Federal money received by the Minnesota Department of Veterans Affairs as reimbursement for 65 percent of this state capital expenditure must be credited to the debt service account in the state bond fund.

Subd. 4. **Silver Bay Campus Master Plan Renovation** 227,000

For the state share of the cost to design, construct, furnish, and equip an addition to and renovation of the nursing care facility. This appropriation is added to the appropriation to the Veterans Homes Board in Laws 2006, chapter 258, section 19, subdivision 7, for this project.

Sec. 17. **CORRECTIONS**

Subdivision 1. **Total Appropriation**	**$**	**32,000,000**
To the commissioner of administration for the purposes specified in this section.		
Subd. 2. **Minnesota Correctional Facility - Faribault Expansion Phase 3**		16,341,000
To design, construct, furnish, and equip a building to serve as a secure intake, receiving, warehouse, and security watch center at the Minnesota Correctional Facility - Faribault, including, but not limited to, a secure vehicle sally port for processing offenders and a receiving and distribution area to process and search incoming supplies. This appropriation includes funding to demolish two existing buildings on the site of this new building and remodel existing buildings and infrastructure as required to accommodate the new facility operations.		
Subd. 3. **Asset Preservation**		15,109,000
For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, in accordance with Minnesota Statutes, section 16B.307.		
Subd. 4. **Minnesota Correctional Facility - Shakopee Perimeter Security Fence**		550,000
To design a perimeter security fence system at the Minnesota Correctional Facility - Shakopee.		

Sec. 18. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation**	**$**	**96,483,000**

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

Subd. 2. **Redevelopment Account** 20,000,000

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

Subd. 3. **Bioscience Business Development Public Infrastructure Grant Program** 10,000,000

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

Subd. 4. **Greater Minnesota Business Development Public Infrastructure Grant Program** 20,000,000

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

Subd. 5. **Duluth Entertainment and Convention Center Expansion** 40,283,000

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

Subd. 6. **Itasca County Infrastructure** 6,200,000

This appropriation is in addition to the appropriation in Laws 2006, chapter 258, section 21, subdivision 14.

For a grant to Itasca County for public infrastructure needed to support a steel plant in Itasca County. Grant money may be used by Itasca County to acquire right-of-way and mitigate loss of wetlands and runoff of storm water, to predesign, design, construct, and equip roads, and, in cooperation with municipal public utilities, to predesign, design, construct, and equip natural gas pipelines, water supply systems, and wastewater collection and treatment systems. This appropriation may also be used for a grant to the Itasca County Regional Rail Authority to predesign, design, construct, and equip rail lines needed to support the steel plant.

Sec. 19. **PUBLIC FACILITIES AUTHORITY**

Subdivision 1. **Total Appropriation**	**$**	**46,400,000**

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

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

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

Subd. 3. **State Match for Federal USEPA Capitalization Grants**	30,000,000

(a) The appropriation in this subdivision is:

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

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

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

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

Subd. 4. **Wastewater Infrastructure Funding Program** 10,300,000

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

To the greatest practical extent, the authority must use the appropriation for projects on the 2008 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or receive a funding commitment from USDA Rural Economic and Community Development by June 30, 2009, or for projects on the 2009 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or have received a funding commitment from USDA Rural Economic and Community Development by December 31, 2009.

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

(b) Up to $2,000,000 may be used for corrective action on wastewater treatment systems listed in Laws 2005, chapter 20, article 1, section 23, subdivision 3, paragraph (b). Grants under this paragraph are not subject to the 2008 or 2009 project priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.

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

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

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

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

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

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

Sec. 20. **MINNESOTA HISTORICAL SOCIETY**

Historic Sites Asset Preservation **$** **5,000,000**

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.

Sec. 21. **BOND SALE EXPENSES** **$ 1,050,000**

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8. Of this appropriation, $977,000 is from the bond proceeds fund. Of this appropriation, $73,000 is from the bond proceeds account in the trunk highway fund.

Sec. 22. **BOND SALE SCHEDULE.**

The commissioner of finance shall schedule the sale of state general obligation bonds so that during the biennium ending June 30, 2009, no more than $880,362,000 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 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 debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 23. **BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to $1,011,402,000 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. **Transportation fund bond proceeds account.** To provide the money appropriated in this act from the state transportation fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to $255,000,000 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. 3. **Trunk highway bonds.** To provide the money appropriated in this act from the bond proceeds account in the trunk highway fund, the commissioner of finance shall sell and issue trunk highway bonds in an amount up to $78,080,000 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 on the sale of the bonds, must be credited to the bond proceeds account in the trunk highway fund.

Sec. 24. **CANCELLATION.**

$17,262,000 of the appropriation in Laws 2002, chapter 393, section 19, subdivision 2, to the Metropolitan Council for the Northwest busway, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, is reduced by $17,262,000.

Sec. 25. Minnesota Statutes 2006, section 16B.335, subdivision 2, is amended to read:

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

Sec. 26. Minnesota Statutes 2006, section 116J.423, is amended by adding a subdivision to read:

Subd. 2a. **Grants authorized.** Notwithstanding subdivision 2, the commissioner may use money in the fund to make grants to a county, or to a county regional rail authority as appropriate, for public infrastructure needed to support an eligible project under this section. Grant money may be used by the county or regional rail authority to acquire right-of-way and mitigate loss of wetlands and runoff of storm water; to predesign, design, construct, and equip roads and rail lines; and, in cooperation with municipal utilities, to

predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. Grants made under this subdivision are available until expended.

Sec. 27. Laws 2005, chapter 20, article 1, section 7, subdivision 21, is amended to read:

Subd. 21. **State Park and Recreation Area Acquisition** 2,500,000

For acquisition of land under Minnesota Statutes, section 86A.05, subdivisions 2 and 3, from willing sellers of private lands within state park and recreation area boundaries established by law.

$500,000 is to purchase land within the boundaries of Greenleaf Lake state ~~park~~ recreation area in Meeker county.

Sec. 28. Laws 2005, chapter 20, article 1, section 17, is amended to read:

Sec. 17. **PUBLIC SAFETY** **642,000**

To the commissioner of public safety for a grant to the Economic Development Authority in and for the city of Blue Earth to acquire land for and to predesign, design, construct, furnish, and equip a fire and police station. This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed to the project from nonstate sources.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 29. Laws 2005, chapter 20, article 1, section 23, subdivision 16, is amended to read:

Subd. 16. **Minneapolis**

(a) Minnesota Planetarium 22,000,000

For a grant to ~~the city of Minneapolis~~ Hennepin County to complete design and to construct, furnish, and equip a new Minnesota planetarium and space discovery center in conjunction with the Minneapolis downtown library.

(b) Heritage Park

Any unspent balance remaining on December 31, 2004, in the appropriation made by Laws 2000, chapter 492, article 1, section 22, subdivision 10, for a grant to the city of Minneapolis, may be used by the city for improvements to the Heritage Park project.

(c) Minnesota Shubert Center 1,000,000

For a grant to the city of Minneapolis to predesign and design and provide for related capital costs for an associated atrium to create the Minnesota Shubert Center.

Sec. 30. Laws 2006, chapter 258, section 7, subdivision 11, is amended to read:

Subd. 11. **Water control structures** 1,000,000

To rehabilitate or replace water control structures used to manage shallow lakes and wetlands for waterfowl habitat on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, or for the purposes of public water reserves under Minnesota Statutes, section 97A.101.

Sec. 31. Laws 2006, chapter 258, section 7, subdivision 22, is amended to read:

Subd. 22. **Regional trails** 1,133,000

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

$648,000 is for the Agassiz Recreational ATV Trail. Snowmobile trail grant money received under Minnesota Statutes, section 84.83, subdivision 3, and all-terrain vehicle trail grant money received under Minnesota Statutes, section 84.927, subdivision 2, may be counted as part of the county's required 50 percent nonstate match.

$485,000 is for a grant to the Central Minnesota Regional Parks and Trails Coordination Board to design, engineer, and construct 6.3 miles of trail and two parking areas along the Mississippi River in Sherburne County, to be known as Xcel Energy Great River Woodland Trail.

Sec. 32. Laws 2006, chapter 258, section 21, subdivision 6, is amended to read:

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

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

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

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

Sec. 33. Laws 2006, chapter 258, section 23, subdivision 3, is amended to read:

Subd. 3. **Historic Fort Snelling Museum and Visitor Center** 1,100,000

To design ~~the restoration and renovation of the 1904 Cavalry Barracks Building for~~ the historic Fort Snelling Museum and Visitor Center and other site improvements to revitalize historic Fort Snelling.

Sec. 34. **AUTHORIZATION TO PROCEED.**

Notwithstanding the provisions of Laws 2006, chapter 258, section 7, subdivision 7, the commissioner of natural resources may expend up to $625,000 to complete the design specification and environmental work currently underway and proceed with the remaining money for the project.

Sec. 35. **EFFECTIVE DATE.**

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