A bill for an act
relating to capital investment; authorizing spending to acquire and better public
land and buildings and other improvements of a capital nature with certain
conditions; modifying previous appropriations; establishing new programs
and modifying existing programs; authorizing the sale and issuance of state
bonds; appropriating money; amending Minnesota Statutes 2014, sections 85.34,
subdivision 1; 161.14, by adding a subdivision; 174.52, subdivision 2; 446A.072;
446A.073, as amended; 446A.081, subdivision 9; 446A.12, subdivision 1;
462A.37, by adding a subdivision; Minnesota Statutes 2015 Supplement,
sections 16A.967; 462A.37, subdivision 5; Laws 2002, chapter 393, section 22,
subdivision 6, as amended; Laws 2008, chapter 179, section 7, subdivision 27, as
amended; Laws 2011, First Special Session chapter 12, section 13, subdivision 8;
Laws 2012, chapter 293, sections 7, subdivision 8; 17, subdivision 4; Laws 2014,
chapter 294, article 1, sections 7, subdivision 15; 17, subdivisions 6, 12; Laws
2015, First Special Session chapter 5, article 1, sections 10, subdivision 3; 19;
proposing coding for new law in Minnesota Statutes, chapters 16C; 115; 219;
repealing Minnesota Statutes 2014, section 123A.446.

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

ARTICLE 1

APPROPRIATIONS

Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.

The sums shown in the column under "Appropriations" are appropriated from the
bond proceeds fund, or another named fund, to the state agencies or officials indicated,
to be spent for public purposes. Appropriations of bond proceeds must be spent as
authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire
and better public land and buildings and other public improvements of a capital nature, or
as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j),
or article XIV. Unless otherwise specified, money appropriated in this act for a capital
program or project may be used to pay state agency staff costs that are attributed directly

Article 1 Section 1.
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. Unless otherwise specified in this act, money appropriated in
this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046,
should not be used for projects that can be financed within a reasonable time frame
under Minnesota Statutes, section 16B.322 or 16C.144. Unless otherwise specified, an
appropriation that fully funds a project does not require a nonstate match. Unless otherwise
specified, general fund appropriations in this act are onetime and are in fiscal year 2017.

**APPROPRIATIONS**

### UNIVERSITY OF MINNESOTA

<table>
<thead>
<tr>
<th>Subdivision</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Appropriation</td>
<td>$160,734,000</td>
</tr>
<tr>
<td>2</td>
<td>Higher Education Asset Preservation and Replacement (HEAPR)</td>
<td>61,500,000</td>
</tr>
<tr>
<td>3</td>
<td>Duluth - Chemical Sciences and Advanced Materials Science Building</td>
<td>27,167,000</td>
</tr>
<tr>
<td>4</td>
<td>Twin Cities - Health Sciences Education Facility</td>
<td>66,667,000</td>
</tr>
</tbody>
</table>

To design, construct, furnish, and equip a new laboratory building on the Duluth campus, including classrooms and research and undergraduate instructional laboratories.

To demolish obsolete health sciences facilities and to design, renovate, furnish, equip, and construct a health science education facility on the Twin Cities campus to meet the needs of the Medical School and the Academic Health Center.
Subd. 5. Twin Cities - Plant Growth Research Facility

To demolish the existing biological sciences greenhouse and to predesign, design, construct, furnish, and equip a greenhouse to support learning and research on the St. Paul campus.

Subd. 6. Duluth - Glensheen Mansion

To predesign, design, construct, furnish, and equip critical structural repairs and renovation of the servants' porch.

Subd. 7. University Share

Except for the appropriations for HEAPR and the Glensheen Mansion, 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 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.

Sec. 3. MINNESOTA STATE COLLEGES
AND UNIVERSITIES

Subdivision 1. Total Appropriation $173,666,000

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) 70,000,000

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

Subd. 3. Anoka Ramsey Community College 4,965,000

To design, renovate, furnish, and equip
the Humanities Building and to design the
Nursing and Active Learning Center and
related campus redevelopment.

Subd. 4. Bemidji State University 18,097,000

To demolish Hagg-Sauer Hall and construct,
furnish, and equip its replacement, the
Academic Learning Center; to renovate
and renew, furnish, and equip Bensen Hall,
Sattgast Hall, Bangsberg Hall, and A.C.
Clark Library.

Subd. 5. Century College 5,500,000

To create flexible space for classroom,
lab, and other learning use, to renovate the
adjacent welding laboratory, and to expand
robotic welding facilities.

Subd. 6. Hennepin Technical College Advanced
Manufacturing Integration and Revitalization
Phase I; Design and Renovation 8,231,000

For Phase I of the Advanced Manufacturing
Integration and Revitalization (AMIR)
project on the Brooklyn Park campus
of Hennepin Technical College that will
renovate and update approximately 25,530
square feet of skilled technical spaces. Phase
I includes design of the entire project; roof
replacement; construction, furnishing, and
equipping of a new entry to the AMIR
programs; and remodeling existing lab
spaces and classrooms associated with the
electronic, HVAC, and welding programs.

Subd. 7. **Hibbing Community College**

To demolish Building G and connecting
links or portions thereof, and to construct,
renovate, furnish, and equip buildings, links,
and entry spaces on the campus.

Subd. 8. **Minnesota State Community and Technical College**

(a) **Fergus Falls Campus**

To design, renovate, furnish, and equip
a new Center for Student and Workforce
Success (CSWS) that integrates the Regional
Workforce Center. The board must enter into
a lease agreement with the commissioner of
employment and economic development,
or partners of the commissioner, for use of
the workforce center subject to Minnesota
Statutes, section 16A.695. The board must
use nonstate money for the remainder of the
cost of the renovation.

(b) **Wadena Campus**

To design, renovate, furnish, and equip
the relocation of the current library to
underutilized space and converting the
vacated space into a centralized student
services center.
Subd. 9. Northland Community and Technical College, East Grand Forks

To design, renovate, furnish, and equip science and radiological lab space on the East Grand Forks campus.

Subd. 10. Rochester Community and Technical College

To complete design, demolish Memorial and Plaza Halls, construct, equip, and furnish an academic building expansion, and renovate, equip, and furnish replacement space for classrooms, labs, and office spaces.

Subd. 11. South Central College, North Mankato

To design, renovate, renew, furnish, and equip laboratory, classroom and office spaces on the North Mankato campus.

Subd. 12. Winona State University, Education Village, Phase 2

To complete design, construct, renovate, furnish, and equip Phase 2 of the Education Village project, including the renovation of Cathedral and Wabasha Halls and Wabasha Rec, and remove obsolete portions of Wabasha Rec and the Annex building between Cathedral School and Wabasha Rec.

Subd. 13. Debt Service

(a) Except as provided in paragraph (b), the Board of Trustees 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 HEAPR. 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.

(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. 14. 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 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 HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 18 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

$ 22,234,000

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

Subd. 2. Library Construction Grants

2,000,000

For library construction grants under Minnesota Statutes, section 134.45.

Subd. 3. Bagley - Library Furnishings

50,000

From the general fund for a grant to the city of Bagley for improvements, furnishings, and equipment for the city's library or
to reimburse the city for improvements.

to furnishings, and equipment for the city's
library. This appropriation does not require a
nonstate contribution.

Subd. 4. Cambridge - East Central Regional
Library

For a grant to the city of Cambridge to
acquire property for and to redesign, design,
construct, furnish, and equip a new public
library and headquarters for the East Central
Regional Library system, to be located in
the city of Cambridge. This appropriation
is not available until the commissioner of
management and budget determines that an
equal amount is committed from nonstate
sources.

Subd. 5. Grand Rapids - Myles Reif Center

From the general fund for a grant to
Independent School District No. 318, Grand
Rapids, to cover cost overruns for the Myles
Reif Center for the Performing Arts project
in Grand Rapids. This appropriation is added
to and is for the same purposes as the project
in Laws 2014, chapter 294, article 1, section
21, subdivision 8. This appropriation does
not require a nonstate contribution.

Subd. 6. Olmsted County - Dyslexia Institute
of Minnesota

For a grant to Olmsted County to acquire
land for, and to redesign, design, construct,
furnish, and equip a facility in Olmsted
County to support the local, regional, and
national literacy work of the Dyslexia
Institute of Minnesota, subject to Minnesota
Statutes, section 16A.695. This appropriation
is not available until the commissioner of
management and budget determines that an
equal amount is committed from nonstate
sources.

Subd. 7. **Red Lake - Independent School
District No. 38 Facility Projects**

(a) $9,735,000 of this appropriation is 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, and
$4,335,000 of this appropriation is from
the general fund. This appropriation is
to complete design and construction of
a connection structure between the Red
Lake Early Learning Childhood Center and
Red Lake Elementary School; renovations
to various classrooms, labs, and support
rooms; updating of mechanical systems;
and expansion of the cafeteria. Before
any capital loan contract is approved
under this subdivision, the district must
provide documentation acceptable to the
commissioner of education on how the
capital loan will be used.

(b) The commissioner of administration
may provide project management services
to assist the Department of Education with
oversight of the project. No money for
construction may be distributed by the
commissioner of education to the recipient
school district until bids have been received
on 100 percent of the construction documents
and satisfactory documentation has been
submitted to the commissioner of education
indicates the project can be fully completed

Subd. 8. Warroad - Northwest Angle School Expansion

For a grant to the Warroad School District to construct, furnish, and equip an expansion of the Northwest Angle School. No nonstate match is required.

Subd. 9. White Bear Lake - Independent School District No. 624 - Community Achievement Center

(a) For a grant to Independent School District No. 624, White Bear Lake Area Schools, to acquire land or real property for a comprehensive service center to deliver integrated services, including medical and dental services for young children, county human services, family support services, and early childhood education to the northeast metropolitan area.

(b) Any unspent portion of this appropriation after completion of the acquisition in paragraph (a) may be used for predesign and design.

(c) This appropriation does not require a nonstate match.

Sec. 5. MINNESOTA STATE ACADEMIES

Subdivision 1. Total Appropriation $2,210,000

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

Subd. 2. Asset Preservation 2,000,000

For capital asset preservation improvements and betterments on both campuses of the Minnesota State Academies, to be spent in
accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minnesota State Academies Track 160,000

For the construction of a track located on the Minnesota State Academy for the Blind campus, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed from nonstate sources.

Subd. 4. Minnesota State Academies Security Corridor 50,000

For predesign for a safety corridor on the Minnesota State Academy for the Deaf campus.

Sec. 6. PERPICH CENTER FOR ARTS EDUCATION $ 2,300,000

To the commissioner of administration for capital asset preservation improvements and betterments at the Perpich Center for Arts Education, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 7. NATURAL RESOURCES

Subdivision 1. Total Appropriation $ 126,635,000

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
13.1 standards, criteria, or priorities for projects

13.2 than Minnesota Statutes, section 86A.12.

13.3 Subd. 2. **Natural Resources Asset Preservation**

13.4 For the renovation of state-owned facilities

13.5 and recreational assets operated by the

13.6 commissioner of natural resources to

13.7 be spent in accordance with Minnesota

13.8 Statutes, section 84.946. Notwithstanding

13.9 Minnesota Statutes, section 84.946: (1) the

13.10 commissioner may use this appropriation

13.11 to replace buildings if, considering the

13.12 embedded energy in the building, that is the

13.13 most energy-efficient and carbon-reducing

13.14 method of renovation; and (2) this

13.15 appropriation may be used for projects to

13.16 remove life safety hazards such as building

13.17 code violations or structural defects.

13.18 Subd. 3. **Buildings and Facilities Development**

13.19 To design and construct office and storage

13.20 buildings, to replace buildings that are in

13.21 poor condition, outdated, and no longer

13.22 support the work of the department. This

13.23 appropriation includes money to predesign a

13.24 consolidated office in Bemidji.

13.25 Subd. 4. **Flood Hazard Mitigation**

13.26 (a) For the state share of flood hazard

13.27 mitigation grants for publicly owned capital

13.28 improvements to prevent or alleviate flood

13.29 damage under Minnesota Statutes, section

13.30 103F.161.

13.31 (b) Levee projects, to the extent practical,

13.32 shall meet the state standard of three feet

13.33 above the 100-year flood elevation.

Article 1 Sec. 7. 13
(c) Project priorities shall be determined by the commissioner as appropriate and based on need.

(d) This appropriation includes money for the following county and municipal projects:

- Afton, Austin, Bloomington, Browns Valley, Delano, Golden Valley, Halstad, Hawley, Hendrum, Inver Grove Heights, Maynard, Montevideo, Nielsville, Ortonville, Owatonna, Perley, Rushford, and St. Vincent,

(e) This appropriation includes money for projects in the following watersheds: Bois de Sioux Watershed District, Buffalo Red River Watershed District, Cedar River Watershed District, Lower Minnesota River Watershed District, Middle Snake Tamarac Rivers Watershed District, Upper Minnesota River Watershed District, Prior Lake-Spring Lake Watershed District, Red Lake Watershed District, Roseau River Watershed District, Sand Hill River Watershed District, Shell Rock River Watershed District, Two Rivers Watershed District, and Wild Rice River Watershed District.

(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 a municipality or township multiplied by the number of households in the
municipality or township, this appropriation is also for the local share of the project.

(h) To the extent practicable and consistent with the project, recipients of appropriations for flood damage reduction projects in this subdivision shall create wetlands that are eligible for wetland replacement credit to replace wetlands drained or filled as a result of repair, reconstruction, replacement, or rehabilitation of an existing public road under Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m).

(i) Wetlands established by flood control projects funded in this subdivision that are not needed for replacement credit as part of a flood damage project funded in this subdivision, are eligible for wetland replacement credit under Minnesota Statutes, sections 103G.222 to 103G.2243.

Subd. 5. **Dam Renovation, Repair, Removal**

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 does not require a nonstate match for the Lanesboro Dam project.

Subd. 6. **RIM Critical Habitat**

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943.

Subd. 7. **Fish Hatchery Development**

For improvements and system upgrades of a capital nature to hatchery facilities owned by the state and operated by the commissioner of Article 1 Sec. 7.
natural resources under Minnesota Statutes,

section 97A.045, subdivision 1, to prevent

the spread of invasive species and pathogens.

Subd. 8. Mille Lacs Lake - Fisheries

Management Station 3,500,000

To design and construct a fishery

management station near Mille Lacs Lake to

provide office, hatchery, and storage space.

Subd. 9. Reforestation and Stand Improvement 2,300,000

To provide for reforestation and stand

improvement on state forest lands to meet

the reforestation requirements of Minnesota

Statutes, section 89.002, subdivision 2,

including purchasing native seeds and native

seedlings, planting, seeding, site preparation,

and protection on state lands administered

by the commissioner.

Subd. 10. State Park Campground Renovations 1,000,000

To rehabilitate and provide enhancements

to campgrounds, including meeting code

requirements and improving safety and

accessibility. This appropriation is for the

campground at Jay Cooke State Park and

high-priority work at other campgrounds.

Subd. 11. Park, State Recreation Area, and

Trail Development 19,740,000

(a) For acquisition, development, and

renovation of state trails under Minnesota

Statutes, section 85.015. Of this amount,

$2,000,000 is for the Gitchi-Gami Trail at

Tofte; $2,590,000 is for the Glacial Lakes

Trail; $1,300,000 is for the Goodhue Pioneer

Trail; $3,300,000 is for the Heartland Trail

from Detroit Lakes to Frazee and spur
from Park Rapids to Itasca State Park; and

$650,000 is for the Mill Town Trail.

(b) $1,900,000 is for acquisition and
development in the Cuyuna Country State
Recreation Area, including the Cuyuna
Mountain Bike System.

c) $8,000,000 is for continued development
of recreational opportunities at the Lake
Vermilion-Soudan Underground Mine State
Park.

d) The commissioner may allocate money
not needed to complete a project listed in
this section to another project listed in this
section that may need additional money
to be completed. For any project listed
in this subdivision that the commissioner
determines is not ready to proceed, the
commissioner may reallocate that project's
money to another state trail project
described in this section or other state trail
infrastructure. The commissioner of natural
resources must notify the chairs of the house
of representatives and senate committees
with jurisdiction over environment and
natural resources and legislators from the
affected legislative districts of any changes
made under this paragraph.

Subd. 12. Itasca State Park Renovations 6,900,000

To provide for the renovation of buildings
and infrastructure and for natural
resources restoration in Itasca State Park.
Projects include safety and accessibility
improvements, rehabilitation of the
historic Nicollet Court building, and
erosion protection at the headwaters of the
Mississippi River.

Subd. 13. **Austin - Waterways Restoration** 600,000
For a grant to the city of Austin to design,
construct, and equip improvements at the
site of the old 4th Avenue Mill and Dam,
including the construction of bituminous
trails, completion of landscaping work,
and renovation of the existing mill; for
stream bank stabilization throughout the
city, including the removal of downed
trees and debris, replacement of riprap,
and establishment of native vegetation.
This appropriation is not available until
the commissioner of management and
budget determines that an equal amount is
committed from nonstate sources.

Subd. 14. **Champlin - Mill Pond Restoration** 3,300,000
For a grant to the city of Champlin to
dredge and remove sediment and for other
capital improvements of the Champlin Mill
Pond necessary to improve water quality,
restore fish habitat, and provide other public
benefits. This appropriation is not available
until the commissioner of management and
budget determines that an equal amount is
committed from nonstate sources.

Subd. 15. **Dakota County - Byllesby Dam** 6,000,000
For a grant to Dakota County to design
and construct capital improvements to the
hydro-electric generating facility, including
replacement of obsolete turbines, at the
Byllesby Dam, located on the Cannon
River. This appropriation is not available
19.1 until the commissioner of management and
19.2 budget determines that an equal amount is
19.3 committed from nonstate sources.

19.4 Subd. 16. Dakota County - Minnesota River
19.5 Regional Trail
19.6 For a grant to Dakota County under
19.7 Minnesota Statutes, section 85.019,
19.8 subdivision 4b, to design and construct
19.9 a 3.2-mile multiuse segment, including
19.10 upgrades to existing facilities and a new
19.11 trailhead at Lone Oak Road, of the Minnesota
19.12 River Regional Trail between Cedar Avenue
19.13 and Lone Oak Road in the city of Eagan.

19.14 Subd. 17. Golden Valley - Storm Water
19.15 Infrastructure
19.16 For a grant to the city of Golden Valley for
19.17 storm water infrastructure within the DeCola
19.18 Ponds and Medicine Lake Road watershed
19.19 in the cities of Golden Valley, New Hope,
19.20 and Crystal, including creation of floodwater
19.21 storage, subwatershed diversion, and runoff
19.22 rate control projects. This appropriation
19.23 is not available until the commissioner of
19.24 management and budget determines that an
19.25 equal amount is committed from nonstate
19.26 sources.

19.27 Subd. 18. Itasca County - Popple River
19.28 Recreation Bridge
19.29 For a grant to Itasca County to design and
19.30 construct a multiuse recreation bridge over
19.31 the Popple River and a paved trail connection
19.32 to Village Road in the city of Squaw Lake.
19.33 This appropriation is not available until
19.34 the commissioner of management and
19.35 budget determines that an equal amount is
19.36 committed from nonstate sources.
Subd. 19. Lake County - Prospectors ATV Trail System

1,000,000

For a grant to Lake County for construction, including bridges, of the Prospectors ATV Trail System linking the communities of Ely, Babbitt, Embarrass, and Tower; Bear Head Lake and Lake Vermilion-Soudan Underground Mine State Parks; the Taconite State Trail; and the Lake County Regional ATV Trail System. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 20. Rochester - Chester Woods Trail

1,000,000

To complete construction and paving of phase one of the Chester Woods State Trail from the city of Rochester to Chester Woods Park in Olmsted County.

Subd. 21. St. Louis and Lake Counties Regional Rail Authority - Mesabi Trail

1,697,000

For a grant to the St. Louis and Lake Counties Regional Railroad Authority to continue construction of the Mesabi Trail, starting near Whalston Road and going toward the city of Tower. This appropriation does not require a nonstate contribution.

Subd. 22. Two Harbors Small Craft Harbor Facility

763,000

For a grant to the City of Two Harbors to design and engineer a small craft harbor within the City of Two Harbors. This appropriation is not available until the commissioner of management and budget confirms that an amount sufficient to
complete the project is committed from nonstate sources.

Subd. 23. *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 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 8. **POLLUTION CONTROL AGENCY**

Subdivision 1. *Total Appropriation* $31,655,000

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

Subd. 2. *Capital Assistance Program* 11,750,000

(a) This appropriation is for the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54.

(b) Of this appropriation, $9,250,000 is for a grant to Polk County to complete a regional integrated solid waste management system. An additional renewable energy component shall not be mandated as a requirement of this project to qualify for funding under this section.

(c) Of this appropriation, $2,500,000 is for a grant to McLeod County to complete an integrated solid waste system.

Subd. 3. *Variance Assistance Reimbursement* 300,000

From the general fund for deposit in the variance assistance account under Minnesota...
Statutes, section 115.441, to reimburse municipalities for the cost of applying for a variance from certain permitting requirements.

Subd. 4. *St. Louis River Area of Concern* 12,705,000

To design and implement contaminated sediment management actions identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

Subd. 5. *Redwood-Cottonwood Rivers Joint Powers - Lake Redwood Reclamation and Enhancement Project* 6,900,000

For a grant to the Redwood-Cottonwood Rivers control area, a joint powers entity, to predesign, design, construct, and equip the reservoir reclamation and enhancement of the 66-acre Lake Redwood Reservoir. This appropriation is available after the commissioner of management and budget determines that $870,000 is committed from nonstate sources.

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

Subdivision 1. *Total Appropriation* $4,500,000

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

Subd. 2. *Reinvest in Minnesota (RIM) Reserve Program* 1,500,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and
grasslands 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 program.

(b) The board shall give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements.

c) 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. Of this appropriation, up to five percent may be used for restoration and enhancement.

Subd. 3. Local Government Roads Wetland Replacement Program

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the U.S. Army Corps of Engineers under section 404 of the Clean Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined.
by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

Sec. 10. AGRICULTURE

Subdivision 1. Total Appropriations $ 2,824,000

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

Subd. 2. Agriculture Lab 2,218,000

From the general fund for equipment and instruments for the agriculture laboratory. This appropriation is available until June 30, 2022.

Subd. 3. AURI 606,000

From the general fund for a grant to Agricultural Utilization Research Institute (AURI) for construction of a development kitchen, sensory lab, and safety and security upgrades at AURI’s Crookston facility and for communications and information technology upgrades at the Crookston, Marshall, and Waseca facilities.

Sec. 11. RURAL FINANCE AUTHORITY $ 35,000,000

For the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is from the bond proceeds.

Article 1 Sec. 11.
account in the rural finance administration fund and is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

Sec. 12. MINNESOTA ZOOLOGICAL GARDEN

Subdivision 1. Total Appropriation $21,780,000

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

Subd. 2. Asset Preservation 4,000,000

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. Heart of the Zoo II 17,780,000
To complete the Heart of the Zoo II project, including renovation of the snow monkey exhibit and surrounding public spaces and construction of a meerkat exhibit. This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 11, subdivision 3.

Sec. 13. ADMINISTRATION

Subdivision 1. Total Appropriation

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

Subd. 2. Capitol Complex - Physical Security Upgrades

For the design, construction, and equipping required to upgrade the physical security elements and systems for the buildings listed below, their attached tunnel systems, and their surrounding grounds, and parking facilities as identified in the 2014 Minnesota State Capitol Complex Physical Security Study conducted by Miller Dunwiddie Architecture. Work includes but is not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, security kiosks, locking devices, and traffic control. This appropriation includes money for work associated with the following buildings: Administration, Centennial, Judicial, Ag/Health Lab, Minnesota History Center, Minnesota History Center Loading Dock, Capitol Complex Power Plant and Shops, Stassen, State Office, and Veterans Service.
Subd. 3. Capitol Complex - Physical Security Upgrades

3,400,000

From the general fund in fiscal year 2017, for the design, construction, and equipping required to upgrade the physical security elements and systems for the buildings listed below, their attached tunnel systems, and their surrounding grounds and parking facilities as identified in the 2014 Minnesota State Capitol Complex Physical Security Study conducted by Miller Dunwiddie Architecture. Work includes but is not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, security kiosks, locking devices, and traffic control. This appropriation includes money for work associated with the Andersen and Freeman Buildings.

Subd. 4. Centennial Parking Ramp

10,878,000

(a) To complete design and for structural repairs to the Centennial parking ramp, including removal of the top deck green space to provide additional parking capacity, repairing damaged post-tension cables, and installation of a deck surface protection coating.

(b) Any unexpended amount of this appropriation after completing the project in paragraph (a) may be used to design and construct a storm water retention basin, adjacent to the Centennial parking ramp, if the commissioner of administration determines that the basin is feasible.
Subd. 5. Capital Asset Preservation and Replacement Account 2,500,000

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

Subd. 6. Agency Relocation 1,500,000

From the general fund in fiscal year 2017 to relocate boards, councils, state agencies, and other state entities as needed for the efficient and effective operation of state government. This appropriation is available until June 30, 2022.

Subd. 7. Strategic Plan for Enterprise Facilities 1,475,000

From the general fund to create a strategic facilities master plan for facilities used by state agencies.

Subd. 8. Granite Falls - Pioneer Public Television 1,950,000

From the general fund to provide an equipment grant to Pioneer Public Television as part of the station's construction of a new facility in Granite Falls, Minnesota. The money may be used to purchase and install equipment necessary to the station's operation. This appropriation does not require a nonstate contribution.

Sec. 14. MN.IT $1,432,000

To the commissioner of administration to predesign, design, construct, renovate, furnish, and equip existing state data center facilities at the Bureau of Criminal Apprehension's Maryland Avenue office building and at the Department of Revenue's Stassen Office Building for the purpose.
of decommissioning and repurposing into usable office space.

Sec. 15. MINNESOTA AMATEUR SPORTS COMMISSION

Subdivision 1. Total Appropriation $ 5,932,000

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

Subd. 2. Asset Preservation 850,000

For asset preservation improvements and betterments of a capital nature at the National Sports Center in Blaine, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. National Sports Center Expansion 5,082,000

To prepare a site for, including demolition, and to construct maintenance facilities, parking lots, roads, athletic fields, and other infrastructure necessary to complete the tournament field expansion at the National Sports Center in Blaine.

Sec. 16. MILITARY AFFAIRS

Subdivision 1. Total Appropriation $ 10,500,000

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

Subd. 2. Asset Preservation 2,500,000

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. Of this appropriation, $1,620,000 is for asset preservation at the Rochester.
30.1 Readiness Center and $880,000 is for asset preservation at the Willmar Readiness Center.

30.3 Subd. 3. **St. Cloud Armory**

30.4 To complete design, renovation, expansion, furnishing, and equipping of the St. Cloud Readiness Center. The renovation includes but is not limited to: installing HVAC systems, improving life/safety systems, increasing energy efficiency, and upgrading the facility to serve a dual gender force.

30.10 This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

30.15 Subd. 4. **West St. Paul Armory**

30.29 This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed from nonstate sources.

30.34 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 statewide asset preservation under Minnesota Statutes, section 16B.307. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 17. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**

| $ 42,988,000 |

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

Subd. 2. **Arden Hills - State Emergency Operations Center**

For the design, site development, construction, and equipping of a new state emergency operations center (SEOC) for the Department of Public Safety at Arden Hills. The facility will serve as the location for coordinating state support to local governments during emergencies and disasters. It will also be a critical continuity of government (COG) facility for state government leaders during an incident at the Capitol complex.

Subd. 3. **Camp Ripley - Railroad and Pipeline Incident Training Facility**

To design and construct a joint emergency railroad and pipeline emergency response training facility at Camp Ripley, including the construction of stations and capital infrastructure needed for mock disaster training.
Subd. 4. Glenwood - Police and Fire Departments

For a grant to the city of Glenwood to design, renovate, construct, furnish, and equip a facility for the municipal police and fire departments. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 5. Hallock - Fire Hall

For a grant to the city of Hallock to construct, furnish, and equip a fire hall facility. Notwithstanding Minnesota Statutes, section 16A.86, subdivision 4, this appropriation is available after the commissioner of management and budget determines that at least $70,000 is committed from nonstate sources.

Subd. 6. Mahnomen - Public Safety Facility

For a grant to the city of Mahnomen for predesign of a public safety facility in the city of Mahnomen to serve the counties of Mahnomen, Clearwater, and Becker. This appropriation is not available until at least an equal amount is committed from nonstate sources.

Subd. 7. Minneapolis Emergency Operations Training Facility (EOTF) Enhancement

For a grant to the city of Minneapolis for the predesign, design, engineering, and construction of the expansion of the Emergency Operation Center and Fire Training Facility. This appropriation is not available until the commissioner of
management and budget determines that an
equal amount is committed to the project
from nonstate sources.

33.4 Subd. 8. **Roseau - Fire Station Expansion** 700,000

33.5 For a grant to the city of Roseau to design,
construct, furnish, and equip an addition to
the Roseau Fire Station. This appropriation
is not available until the commissioner of
management and budget determines that an
equal amount is committed from nonstate
sources.

33.12 Subd. 9. **Windom - Regional Emergency Services Facility** 2,200,000

33.14 For a grant to the city of Windom to
predesign, design, construct, furnish, and
equip a regional emergency services (fire
and ambulance) facility. Notwithstanding
Minnesota Statutes, section 16A.86,
subdivision 4, this appropriation is available
after the commissioner of management and
budget determines that at least $1,000,000
is committed to the project from nonstate
sources.

33.24 Sec. 18. **TRANSPORTATION**

33.25 Subdivision 1. **Total Appropriation** $ 365,590,000

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

33.28 Subd. 2. **Local Road Improvement Fund Grants** 70,000,000

33.30 From the bond proceeds account in the state
transportation fund as provided in Minnesota
Statutes, section 174.50, for construction and
reconstruction of local roads with statewide
or regional significance under Minnesota
34.1 Statutes, section 174.52, subdivision 4, for
34.2 grants under Minnesota Statutes, section
34.3 174.52, subdivision 2, or for grants to
34.4 counties to assist in paying the costs of rural
34.5 road safety capital improvement projects on
34.6 county state-aid highways under Minnesota
34.7 Statutes, section 174.52, subdivision 4a.
34.8 Subd. 3. **Local Bridge Replacement and Rehabilitation**
34.9 
34.10 This appropriation is from the bond proceeds
34.11 account in the state transportation fund
34.12 to match federal money and to replace
34.13 or rehabilitate local deficient bridges as
34.14 provided in Minnesota Statutes, section
34.15 174.50.
34.16 Subd. 4. **Safe Routes to School**
34.17 For grants under Minnesota Statutes, section
34.18 174.40.
34.19 Subd. 5. **Golden Valley - Douglas Drive and Highway 55**
34.20 3,000,000
34.21 For a grant to the city of Golden Valley
34.22 to reconstruct approximately one and
34.23 three-quarters miles of Douglas Drive north
34.24 of Highway 55, including on-street bicycle
34.25 lanes and off-street trails and sidewalks, and
34.26 to design, engineer, and construct public
34.27 safety improvements at the intersection of
34.28 Douglas Drive and Highway 55, including
34.29 a box culvert underpass across Highway
34.30 55, a roundabout and extended frontage
34.31 road south of Highway 55, retaining wall
34.32 construction, underground utility relocation,
34.33 sidewalk and trail connections to existing
34.34 facilities, Americans with Disabilities
34.35 Act-compliant facilities, and landscaping.
This appropriation does not require a nonstate contribution.

**Subd. 6. St. Joseph - Pedestrian Bridge**

For a grant to the city of St. Joseph to construct a pedestrian bridge over County Road 75 in Stearns County.

**Subd. 7. Port Development Assistance**

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned. Wabasha shall be a priority project for a grant under this appropriation.

**Subd. 8. Rail Grade Separation on Crude Oil Rail Corridors**

(a) To design and construct rail safety projects at highway railroad grade crossings in accordance with Minnesota Statutes, section 219.016. Of this appropriation:

1. $39,729,000 is for a grant to the city of Moorhead for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation in the vicinity of 21st Street South;

2. $13,762,000 is for a grant to the city of Red Wing for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Sturgeon Lake Road; and

3. $11,987,000 is for a grant to Anoka County for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Anoka County State-Aid Article 1 Sec. 18.
Highway 78, known as Hanson Boulevard, in Coon Rapids.

(b) Any unspent portion of this appropriation after completion of any project in this subdivision may be used for additional grants in accordance with Minnesota Statutes, section 219.016.

Subd. 9. **Railroad Warning Devices**

To design, construct, and equip replacement of active highway-rail grade warning devices that have reached the end of their useful life.

Subd. 10. **Rail Service Improvement**

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

Subd. 11. **Goodview and Minnesota City - Rail Quiet Zone**

For a grant to the city of Goodview for construction of a railroad crossing quiet zone that consists of construction and installation of concrete median barriers and associated road improvements at five Canadian Pacific railroad crossings in the cities of Goodview and Minnesota City. This appropriation does not require a local match.

Subd. 12. **St. Louis Park - Quiet Zone**

For a grant to the city of St. Louis Park to install safety improvements that reduce or eliminate the need for rail horns and whistles in St. Louis Park. This appropriation is not available until the commissioner of management and budget determines that an
equal amount is committed from nonstate

Subd. 13. **Blaine - 105th Avenue Reconstruction** 3,246,000

For a grant to the city of Blaine to predesign, design, and reconstruct 105th Avenue in the vicinity of the National Sports Center in Blaine. The reconstruction will include changing the street from five lanes to four lanes with median, turn lanes, sidewalk, trail, landscaping, lighting, and consolidation of access driveways. This appropriation is not available until the commissioner of management and budget determines that at least $3,000,000 is committed to the project from sources available to the city, including municipal state aid and county turnback funds.

Subd. 14. **Chaska - Trunk Highway 212 Interchange** 28,000,000

From the bond proceeds account in the trunk highway fund for right-of-way acquisition and construction of an interchange at marked Trunk Highway 212 and Carver County Road 140 in the city of Chaska, to support the development of approximately 400 acres of property in the city of Chaska's comprehensive plan. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available for five years after the effective date of this act.

Subd. 15. **Duluth Airport Authority** 5,900,000

From the state airports fund in fiscal year 2017 to provide the federal match to design and construct runway infrastructure at the Duluth International and Sky Harbor
Airports in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation is for costs incurred after March 1, 2016, and is available until and must be encumbered by June 30, 2017. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 16. Grand Rapids Pedestrian Bridge

For a grant to the city of Grand Rapids to design the construction of a bridge over the Mississippi River for pedestrian and bicycle use to provide a safe alternative route to the existing marked Trunk Highway 169 vehicle bridge, and to serve as a connection to existing trail systems on each side of the river. This appropriation is not available until the commissioner determines that an equal amount has been committed to the project from nonstate sources.

Subd. 17. Hennepin County - U.S. Highway 12

From the bond proceeds account in the trunk highway fund for projects, including preliminary and final design, engineering, environmental analysis, right-of-way acquisition, construction, and reconstruction on marked U.S. Highway 12 as follows:

(1) realignment at the intersections with Hennepin County State-Aid Highway 92:
(2) realignment and safety improvements

at the intersection with Hennepin County

State-Aid Highway 90; and

(3) safety median improvements from the

interchange with Wayzata Boulevard in

Wayzata to approximately one-half mile east

of the interchange with Hennepin County

State-Aid Highway 6.

Subd. 18. **Hennepin County - Interstate Highway 35W and Lake Street Access Project**

From the bond proceeds account in the

state transportation fund for a grant to

Hennepin County for design, right-of-way

acquisition, engineering, and construction

of public improvements related to the

Interstate Highway 35W and Lake Street

access project and related improvements

within the Interstate Highway 35W corridor.

This appropriation is not available until the

commissioner of management and budget
determines that an amount sufficient to

complete the project has been committed to

the project.

Subd. 19. **Hugo - Short Line Railway**

For a grant to Minnesota Commercial

Railway for construction of repairs and

other capital improvements to approximately

6.5 miles of railroad track described as

that portion of the Minnesota Commercial

Railway main running lead, between M &

d Junction in White Bear Lake and the end

of the track in Hugo. This appropriation

must be used for the purposes set forth in the

Minnesota Constitution, article XI, section

5, clause (i), to improve and rehabilitate
railroad rights-of-way and other rail facilities, whether public or private. This appropriation does not require a nonstate match.

Subd. 20. International Falls-Koochiching County Airport Commission

(a) From the state airports fund for a grant to the International Falls-Koochiching County Airport Commission for the following improvements to the Falls International Airport:

1. demolition of the existing terminal building;
2. rehabilitation;
3. site preparation, including utilities and civil work;
4. design, construction, furnishing, and equipping Phase II of the new terminal building, including a Transportation Safety Administration office, weather office, conference room, circulation corridor, airport administration offices, U.S. Customs and Border Protection storage rooms, offices, restrooms, passenger-processing area, wet-hold room, interview room, search room, precustoms and postcustoms passenger waiting areas, and vestibule; and
5. associated appurtenances of a capital nature.

(b) After completion of the improvements under paragraph (a), any unspent money from this appropriation may be used by the International Falls-Koochiching County Airport Commission for a commercial airline apron expansion project at the Falls International Airport.
(c) This appropriation does not require a nonstate contribution or match.

Subd. 21. Minnesota Valley Regional Rail Authority

For a grant to the Minnesota Valley Regional Rail Authority for the rehabilitation of railroad track from Winthrop to Hanley Falls. The grant under this subdivision may also be used for any required environmental documentation and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between Winthrop and Hanley Falls. A grant under this section 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. This appropriation is in addition to the appropriations in Laws 2006, chapter 258, section 16, subdivision 6; Laws 2008, chapter 179, section 16, subdivision 5; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, section 15, subdivision 5; and Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 4.

Subd. 22. Ramsey - Rail Grade Separation at County Road 56

For a grant to the city of Ramsey for predesign and design of a highway-rail grade separation at the intersection of Anoka County Road 56, also known as Ramsey Boulevard, with the Burlington Northern Santa Fe mainline. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.
Subd. 23. Ramsey County - I-694 Rice Street Interchange

For a grant to Ramsey County for preliminary and final design, environmental documentation, and construction of the interchange of marked Interstate Highway 694 and Rice Street in Ramsey County.

The $6,600,000 previously expended from nonstate sources to acquire property for this project shall count toward the nonstate match and no further nonstate match is required.

Subd. 24. Rochester International Airport

From the general fund to design, construct, renovate, and improve the Rochester International Airport, in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation is available until and must be encumbered by June 30, 2017. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 25. Rosemount - County Road 42 and Marked Trunk Highway 52 Interchange

From the bond proceeds account in the state transportation fund for the city of Rosemount local share of the project that reconstructs the interchange of County Road 42 at marked Trunk Highway 52 in Dakota County. This appropriation is not available until the commissioner of management and...
budget determines that an equal amount is
committed from nonstate sources.

**Subd. 26. St. Paul - Rail Grade Separation at Westminster Junction and Division Street**
1,000,000

For a grant to the Ramsey County Regional Railroad Authority for environmental analysis and design of rail grade separation of Union Pacific and Burlington Northern Santa Fe between Westminster Junction and Division Street/Hoffman Interlocking in St. Paul. This appropriation is not available until the commissioner determines that an equal amount has been committed to the project from nonstate sources.

**Subd. 27. Virginia - Highway 53 Relocation**
3,400,000

From the bond proceeds account in the state transportation fund for grants to the city of Virginia and the Virginia Public Utilities Commission to acquire land for and to predesign, design, construct, furnish, and equip relocated public utilities, including sanitary and storm water sewers and water, electrical, and gas utilities; and to demolish and remove old utility infrastructure, all associated with the relocation of Highway 53. This appropriation does not require a nonstate contribution.

**Subd. 28. West St. Paul - Robert Street Reconstruction**
12,000,000

From the trunk highway fund for a grant to the city of West St. Paul to complete the reconstruction of South Robert Street, marked as Trunk Highway 952. This appropriation is available after the commissioner of management and budget
determines that $7,363,000 is committed from nonstate sources.

Sec. 19. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation $42,750,000

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

Subd. 2. Metropolitan Regional Parks and Trails Capital Improvements 10,000,000

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. This appropriation must not be used to purchase easements.

Subd. 3. Metropolitan Cities Inflow and Infiltration Grants 5,000,000

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. 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. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined...
inflow and infiltration limits. The council must award grants based on applications from 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. **Bloomington - Mall of America Transit Station**

8,750,000

For design and construction of improvements to the Mall of America Station on the Hiawatha Corridor light rail transit line. The Metropolitan Council must consult with the city of Bloomington throughout the design and construction process.

Subd. 5. **Minneapolis - Sculpture Garden**

500,000

From the general fund for a grant to the Minneapolis Parks and Recreation Board for noncapital expenses relating to the renovation of the Minneapolis Sculpture Garden. This appropriation is available until June 30, 2019. This appropriation is in addition to the appropriation in Laws 2014, chapter 194, article 1, section 17, subdivision 8. This appropriation does not require a nonstate match.

Subd. 6. **St. Paul - Como Zoo**

14,500,000

For a grant to the city of St. Paul for predesign, design, and engineering of Phase I of the renovation of seal and sea lion habitat at the Como Zoo. The renovated habitat will support the zoo education programs. This appropriation is not available until the commissioner of management and budget determines that at least $1,100,000
is committed to the project from nonstate

sources.

Subd. 7. Washington County - Gateway
Corridor Transitway

For a grant to Washington County for
environmental analysis, design, and
ing工程 for the Gateway Corridor
Transitway, also known as the Metro Gold
Line. This appropriation is not available
until the commissioner of management and
budget determines that an equal amount is
committed from nonstate sources.

Subd. 8. Washington County - Red Rock
Corridor Transitway

For a grant to the Washington County
Regional Railroad Authority for engineering
and environmental analysis for the Red Rock
Corridor transitway. This appropriation
is not available until the commissioner of
management and budget determines that an
equal amount is committed from nonstate
sources.

Sec. 20. HEALTH

From the general fund in fiscal year 2017 to
the commissioner of health for equipment
and instruments for the public health
laboratory. Notwithstanding Minnesota
Statutes, section 16A.642, this appropriation
is available until June 30, 2022.

Sec. 21. HUMAN SERVICES

Subdivision 1. Total Appropriation

To the commissioner of administration, or
another named agency, for the purposes
specified in this section.
Subd. 2. **Asset Preservation**

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. **Minnesota Security Hospital - St. Peter**

To complete design, remodel, construct, furnish, and equip the second phase of the two-phase project to remodel existing and to develop new residential, program, activity, and ancillary facilities for the Minnesota Security Hospital on the upper campus of the St. Peter Regional Treatment Center. This appropriation includes money to: demolish, renovate, and remodel existing space; construct new space; address fire and life safety, and other building code deficiencies; replace or renovate interior finishes; purchase furnishings, fixtures, and equipment; replace or renovate the Minnesota Security Hospital building's HVAC, plumbing, electrical, security, and life safety systems; tuck-point; replace windows and doors; design and abate asbestos and hazardous materials; and complete site work necessary to support the programmed use of the facilities on the St. Peter Regional Treatment Center upper campus.

Subd. 4. **Minnesota Sex Offender Program – St. Peter**

To complete design, construct, renovate, furnish, and equip the second phase of a multiphase project to develop additional
residential, program, activity, and ancillary facilities for the Minnesota Sex Offender Program on the lower campus of the St. Peter Regional Treatment Center. This appropriation includes money to complete design, renovate, construct, furnish, and equip the north wing of Green Acres; the west, south, and north wings of Sunrise; and the Tomlinson building. This appropriation also includes money to: replace or renovate HVAC, plumbing, electrical, security, and life safety systems; address fire and life safety, and other building code deficiencies; replace windows and doors; tuck-point exterior building envelopes; reconfigure and remodel space; design and abate asbestos and other hazardous materials; remove or demolish nonfunctioning building components; and complete site work necessary to support the programmed use of facilities.

Subd. 5. Anoka Metro Regional Treatment Center Safety and Security Renovations

To provide security upgrades of a capital nature at the Anoka Metro Regional Treatment Center campus, including but not limited to control centers, electronic monitoring and perimeter security equipment, new or updated security fencing, and other building security renovations. This appropriation includes money for: predesign, design, furnishing, fixtures, and equipment; construction of safety and security improvements to courtyards on residential treatment units; securely enclosing the nursing station on Unit G; and installing a campus-wide closed-circuit television video.
security system, a facility-wide personal
duress alarm system, a key control system,
and an electronic access control system.

Subd. 6. Early Childhood Learning Facilities
To the commissioner of human services for
grants under Minnesota Statutes, section
256E.37, to construct and rehabilitate early
childhood learning facilities.

Subd. 7. Hennepin County - Perspectives
Family Center
From the general fund to the commissioner
of human services in fiscal year 2017 for a
grant to Hennepin County to predesign and
design the expansion and renovation of the
existing Perspectives Family Center facility
in St. Louis Park, subject to Minnesota
Statutes, section 16A.695. The expanded
and renovated facility must be used to
promote the public welfare by providing
any or all of the following programs and
services: (1) supportive housing programs
for homeless women and their children;
(2) mental and chemical health programs;
(3) employment services; (4) academic,
social skills, and nutritional programs for
homeless and at-risk children; (5) an all-day
therapeutic early childhood development
program for homeless and at-risk children;
and (6) a culturally sensitive safe and
nurturing environment for at-risk children
to meet with their nonresidential parents.
This appropriation is not available until the
commissioner of management and budget
has determined that at least an equal amount
has been expended or committed to the
project from nonstate sources. Nonstate
money spent on the project since May 1,
2015, shall be included in the determination
of nonstate commitments to the project.

Subd. 8. Minneapolis - The Family Partnership

From the general fund for a grant to the
Family Partnership in Minneapolis to
predesign and design a facility to provide
mental health, early childhood education,
and other services to support children and
families. This appropriation is not available
until at least an equal amount of money is
committed from nonstate resources. This
appropriation is available until the project
is completed or abandoned, subject to
Minnesota Statutes, section 16A.642.

Subd. 9. Red Lake Indian Reservation -
Social Service Building Construction and
Whitefeather/Moe Education Technology
Center Remodel

(a) From the general fund for a grant to the
Red Lake Indian Reservation to:
(1) construct a building to house the social
services of Oshkiimaajitahdah in Redby; and
(2) remodel the Whitefeather/Moe Education
Technology Center to return space to
classrooms and laboratories for educational
purposes.
(b) This appropriation is available until the
project is completed or abandoned, subject to
Minnesota Statutes, section 16A.642.
(c) This appropriation is available after the
commissioner of management and budget
determines that $200,000 is committed or has
been expended by nonstate sources. Money
spent for site preparation shall count toward
the $200,000 nonstate contribution.

Subd. 10. St. Paul - Dorothy Day Opportunity Center

For a grant to the city of St. Paul to predesign,
design, construct, furnish, and equip an
opportunity center to serve as an integrated
one-stop delivery system connecting persons
at risk of becoming homeless, and persons
working to move up and out of homelessness,
and to provide services that improve
their health, income, housing stability, or
well-being, subject to Minnesota Statutes,
section 16A.695. This appropriation may be
used to acquire property for these purposes.
This appropriation is not available until the
commissioner of management and budget has
determined that at least an equal amount has
been committed to the project from nonstate
sources. This appropriation is in addition to
the appropriation in Laws 2014, chapter 294,
article 1, section 18, subdivision 9.

Subd. 11. Willmar - Child and Adolescent Behavioral Health Services (CABHS)

For a grant to the city of Willmar to
purchase land in or near the city of Willmar
for, and to predesign, design, construct,
furnish, and equip, a 16-bed psychiatric
hospital facility of approximately 17,500
or 18,000 square feet that will house the
Child and Adolescent Behavioral Health
Services (CABHS) program. The facility
shall include space for single bedrooms,
bathing and toilets, dining, living, group and
treatment rooms, education space, visitation,
clinic/professional staff, operations staff,
patient storage, operations storage, food
preparation, HVAC/telecommunications/data
equipment, a small area for indoor recreation,
and a secure outdoor activity space. The
property for the facility will provide for staff
and visitor parking, outdoor activities, and
appropriate side, front, and rear setbacks.

This appropriation does not require a
nonstate match.

Sec. 22. VETERANS AFFAIRS

Subdivision 1. Total Appropriation $ 22,851,000

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

Subd. 2. Asset Preservation 5,000,000
For asset preservation improvements and
betterments of a capital nature at the veterans
homes in Minneapolis, Hastings, Fergus
Falls, Silver Bay, and Luverne, to be spent in
accordance with Minnesota Statutes, section
16B.307.

Subd. 3. Minneapolis Veterans Home Truss
Bridge Project 7,851,000
To design, construct, renovate, and equip
the historic truss bridge on the Minneapolis
Veterans Home campus, including asbestos
and hazardous materials abatement and
associated site work.

Subd. 4. Bemidji and Montevideo Veterans
Homes 10,000,000
(a) $5,000,000 of this appropriation is to
design, construct, furnish, and equip a
veterans home in Montevideo to provide a
continuum of care, including skilled nursing
care, to veterans.
(b) $5,000,000 of this appropriation is to
design, construct, furnish, and equip a new
veterans home in Bemidji to provide a
continuum of care, including skilled nursing
care, to veterans.

(c) The commissioner of administration
may accept contributions of land or money
from private individuals, businesses, local
governments, veterans service organizations,
and other nonstate sources for the purpose of
providing matching funding when soliciting
federal funding for the development of the
homes.

Sec. 23. CORRECTIONS

Subdivision 1. Total Appropriation $ 52,253,000

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

Subd. 2. Asset Preservation 20,000,000

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

Subd. 3. Lino Lakes - Minnesota Correctional
Facility 5,000,000

To design, renovate, and equip an existing
vacant building into an offender living unit
that will add at least 60 beds to the capacity
at the Minnesota Correctional Facility – Lino
Lakes. The renovation includes removal of
hazardous materials, upgrades to comply
with current building codes, and construction
of functional living and program space.
Subd. 4. **Moose Lake - Minnesota Correctional Facility**

To expand and renovate the outdated master control center to improve security and efficiency at the Minnesota Correctional Facility – Moose Lake. The renovation includes updating fire alarm panels and mechanical and electrical systems and improving visibility of the visiting area.

Subd. 5. **St. Cloud - Minnesota Correctional Facility**

To construct and equip a new intake unit and a loading dock with a secure connection to a new central warehouse at the Minnesota Correctional Facility – St. Cloud.

Subd. 6. **Togo - Minnesota Correctional Facility**

To design, construct, renovate, furnish, and equip existing buildings, including improvements to the wastewater and septic systems, and to increase the program capacity for the challenge incarceration program by at least 30 beds at the Minnesota Correctional Facility – Togo.

Subd. 7. **Willow River - Minnesota Correctional Facility**

To design, construct, renovate, furnish, and equip new and existing buildings to increase living unit and programming capacity for the challenge incarceration program by at least 45 beds at the Minnesota Correctional Facility – Willow River.

Subd. 8. **Northeast Regional Corrections Center**

For a grant to the Arrowhead Regional Corrections Joint Powers Board to demolish
an existing facility and update, renovate, and
expand buildings used for vocational and
educational programming at the Northeast
Regional Corrections Center. This project
will expand the processing facility, add
a packaging facility, and improve farm
operations and vocational buildings,
including the replacement or repair of
roofs and air handling systems. Nonstate
contributions to improvements at the center
made before or after the enactment of this
subdivision are considered to be a sufficient
match, and no further nonstate match is
required.

Subd. 9. Unspent Appropriations

The unspent portion of an appropriation for
a Department of Corrections 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.
Minnesota Statutes, section 16A.642, applies
from the date of the original appropriation to
the unspent amount transferred.

Sec. 24. EMPLOYMENT AND ECONOMIC
DEVELOPMENT

Subdivision 1. Total Appropriation $ 159,304,000

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

Subd. 2. Asset Preservation 1,342,000

For asset preservation improvements and
betterments of a capital nature at the South
Minneapolis WorkForce Center, to be spent
in accordance with Minnesota Statutes,

section 16B.307.

Subd. 3. Transportation Economic Development

For grants under Minnesota Statutes, section 116J.436.

Subd. 4. Greater Minnesota Business Development Public Infrastructure Grants

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

Subd. 5. Innovative Business Development Public Infrastructure Grants

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

Subd. 6. Redevelopment Grant Program

(a) From the general fund for purposes of the redevelopment account under Minnesota Statutes, sections 116J.571 to 116J.575.

(b) Of this appropriation, $3,500,000 is for a grant to the city of Albert Lea for predesign, design, site work, and construction, including the relocation of Front Street, for Phase I of the Blazing Star Landing project to redevelop the former Farmland Foods property along Albert Lea Lake. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 7. Bemidji - Regional Dental Facility

For a grant to the city of Bemidji to acquire land for and to predesign, design, construct, renovate, furnish, and equip a regional dental facility in Bemidji, subject to Minnesota Article 1 Sec. 24.
Subd. 8. **Duluth - Lake Superior Zoo**  1,909,000

For a grant to the city of Duluth to design, construct, furnish, and equip an outdoor amphitheater at the Lake Superior Zoo.

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

Subd. 9. **Hastings - Riverfront Renaissance**  1,500,000

For a grant to the city of Hastings for the design, engineering, constructing, and equipping of improvements to the city's sewer, electrical, utility, and street infrastructure; for renovations and improvements to Oliver's Grove Park; and screening of an electrical substation. These projects are part of the rehabilitation of Hastings' historic downtown and Levee Park along the Mississippi River. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources. Expenditures made for Phases 1 and 2 of this project shall count towards the nonstate match.

Subd. 10. **Hennepin County - Cedar Cultural Center**  3,000,000
58.1 From the general fund for a grant to the
58.2 Cedar Cultural Center to predesign, design,
58.3 construct, furnish, and equip the renovation
58.4 of the historic Cedar Cultural Center.
58.5 Subd. 11. Hennepin County - Hennepin Center
58.6 for the Arts
58.7 For a grant to Hennepin County for
58.8 improvements and betterments of a capital
58.9 nature to renovate the historic Hennepin
58.10 Center for the Arts, subject to Minnesota
58.11 Statutes, section 16A.695. Notwithstanding
58.12 Minnesota Statutes, section 16A.86, subdivision 4, this appropriation is available
58.13 after the commissioner of management and
58.14 budget determines that $3,000,000 has been
58.15 committed to complete the project from
58.16 nonstate sources.
58.17 Subd. 12. Hermantown - Arrowhead Regional
58.18 Health and Wellness Center
58.19 For a grant to the city of Hermantown
58.20 to prepare the middle school site on the
58.21 Hermantown School District campus,
58.22 including demolition of a portion of the
58.23 middle school, and to design, construct a
58.24 new addition to the middle school building
58.25 and renovate the remaining existing building,
58.26 furnish, and equip the facility as the
58.27 Arrowhead Regional Health and Wellness
58.28 Center. The city may enter into lease or
58.29 management agreements under Minnesota
58.30 Statutes, section 16A.695, for operation of
58.31 the center. This appropriation is not available
58.32 until at least an equal amount is committed
58.33 to the project from nonstate sources.
58.34 Subd. 13. Jackson - Memorial Park
58.35 Redevelopment Phase I
58.36 282,000
For a grant to the city of Jackson to complete Phase I of the redevelopment of Memorial Park, including trails, landscaping, a canoe launch, and other amenities. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources. This appropriation does not require a nonstate match.

Subd. 14. Litchfield - Power Generation Improvements

For a grant to the city of Litchfield to design and construct electrical generation improvements in the city of Litchfield to expand the current standby capacity, including replacement of two old generators. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 15. Madelia - Public Infrastructure

For a grant to the city of Madelia for repair and replacement of a capital nature of public infrastructure damaged by a fire in Madelia in February 2016. This appropriation does not require a nonstate match.

Subd. 16. Medford - Municipal Complex

For a grant to the city of Medford to predesign, design, construct, furnish, and equip a municipal complex that includes an emergency operations center/storm shelter or safe area for use during a public emergency, public meeting and community room, fire
department offices and facilities, and city hall offices. Money spent by the city for this project before the effective date of this section is the nonstate contribution to the project and no further nonstate contribution is required.

Subd. 17. **Minneapolis - Arts Incubator** 900,000

From the general fund for a grant to the city of Minneapolis for planning and predesign of an arts incubator and manufacturing center consisting of artist studios, maker spaces, and small arts commercial enterprises, subject to Minnesota Statutes, section 16A.695. The project shall be located in North Minneapolis.

Subd. 18. **Minneapolis - Northern Metals** 4,100,000

From the general fund for a grant to Northern Metals, Inc., for costs of relocation due to the closure of St. Anthony Falls Lock on the Mississippi River. This appropriation does not require a nonstate match. This appropriation is not available until the commissioner of employment and economic development determines that Northern Metals has met and is current on all permitting requirements and is vacating the entirety of its current premises in Minneapolis.

Subd. 19. **Minneapolis - Norway House** 5,000,000

From the general fund for a grant to the Norway House to acquire land and predesign, design, construct, furnish, and equip a conference and event center at 913 East Franklin Avenue and adjacent property in Minneapolis to celebrate the culture of Norway and American Norwegians. This appropriation is not available until at least
61.1 An equal amount is committed from nonstate sources. Land purchased for this expansion project shall count toward the nonstate match.

61.4 Subd. 20. **Minneapolis - Pioneers and Soldiers Cemetery Restoration**

61.5

61.6 For a grant to the city of Minneapolis to restore the historic steel and limestone pillar fence along Cedar Avenue and Lake Street, install a new steel fence and pillars along 21st Avenue South, and install a waterproofing system for preservation of the fence and pillars, at the Pioneer and Soldiers Cemetery. This appropriation is available after the commissioner of management and budget determines that $394,000 is committed from nonstate sources.

61.17 Subd. 21. **Moose Lake - Riverside Center**

61.18 For a grant to the city of Moose Lake to design, construct, and equip an addition of 5,000 square feet to include public restrooms, a concessions area, changing rooms, meeting space, accessibility improvements for Americans with Disabilities Act (ADA) compliance, and other improvements of a capital nature to the Riverside Center. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

61.30 Subd. 22. **Parkers Prairie - Community Pool**

61.31 For a grant to the city of Parkers Prairie to renovate the city swimming pool, including accessibility improvements. This appropriation is not available until the commissioner of management and...
budget determines that an equal amount is committed from nonstate sources.

Subd. 23. **Plymouth - Ice Center Renovation** 2,203,000

For a grant to the city of Plymouth to predesign, design, construct, furnish, and equip the renovation of the Plymouth Ice Center, and to complete related work for the state-mandated transition of R-22 refrigerant to an ammonia-based system. The project also includes resizing an existing ice sheet for energy efficiencies, roof repairs, and parking lot enhancements. This appropriation is not available until the commissioner of management and budget determines that at least $2,119,000 is committed to the project from nonstate sources.

Subd. 24. **Polk County - North Country Food Bank in Crookston** 3,000,000

For a grant to Polk County to predesign, design, construct, renovate, furnish, and equip a regional charitable food warehouse, distribution, and office facility in the city of Crookston, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an equal amount has been committed to the project from nonstate sources. The value of the land purchased or acquired by the county after January 1, 2013, for this facility shall count toward the nonstate match.

Subd. 25. **Red Wing - River Town Renaissance** 4,480,000

For a grant to the city of Red Wing to complete removal and replacement of approximately 250 lineal feet of the harbor.
63.1 retaining wall; to design, construct, furnish,
63.2 and equip the renovation of the historic
63.3 T.B. Sheldon Performing Arts Theater; and
63.4 to design and construct transient riverboat
63.5 docking facilities, levee wall extension, and
63.6 levee promenade improvements at Levee
63.7 Park. This appropriation is not available
63.8 until the commissioner of management and
63.9 budget determines that an amount sufficient
63.10 to complete the project has been committed
63.11 from nonstate sources.

Subd. 26. **Roseau County - Transportation Facility**

63.12 For a grant to Roseau County to construct,
63.13 furnish, and equip a multipurpose
63.14 transportation facility adjacent to an existing
63.15 transportation facility in Roseau. This
63.16 appropriation is not available until at least
63.17 an equal amount is committed from nonstate
63.18 sources.

Subd. 27. **St. Cloud - Friedrich Regional Park**

63.21 For a grant to the city of St. Cloud to
63.22 acquire land for and to predesign and
63.23 design site improvements including trails,
63.24 picnic and parking areas, restrooms, and
63.25 other public facilities and amenities for the
63.26 development of Friedrich Regional Park.
63.27 This appropriation is available after the
63.28 commissioner of management and budget
63.29 determines that $300,000 is committed from
63.30 nonstate sources.

Subd. 28. **St. Louis County - Arrowhead Economic Development Center and Mental Health Facility**

63.32 For a grant to St. Louis County to design,
63.33 construct, furnish, and equip a new building

3,900,000

1,505,000

12,975,000
at 701 4th Street N in Virginia, to house a jobs and economic development center and a mental health facility. St. Louis County may enter into one or more lease or management agreements for the facility, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner has determined that an amount sufficient to complete the project has been committed from nonstate sources.

For a grant to the city of St. Paul to predesign, design, furnish, and equip a center in the Bruce Vento Nature Sanctuary in St. Paul that will be used for uses and programs that the city determines meet regional and city park purpose requirements. The city may enter into a lease or management agreement under Minnesota Statutes, section 16A.695, to operate the programs in the center. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

From the general fund for a grant to the city of St. Paul to complete the design and to renovate, restore, construct, furnish, and equip capital improvements to the Carnegie Library formerly known as the Arlington Hills Public Library. This appropriation does not require a nonstate match.

Subd. 30. St. Paul - East Side Freedom Library

Subd. 31. St. Paul - Science Museum of Minnesota Building Preservation

Article 1 Sec. 24.
For a grant to the city of St. Paul for
predesign, design, and construction work
to replace water-damaged elements of the
Science Museum of Minnesota's exterior
envelope and some resultant interior damage
caused by latent design and construction
defects, subject to Minnesota Statutes, section
16A.695. This appropriation is not available
until the commissioner of management and
budget determines that an equal amount has
been committed to the project from nonstate
sources. Capital costs paid by the Science
Museum of Minnesota since January 1, 2014,
relating to the water intrusion damage, shall
count towards the match requirement.

Subd. 32. St. Paul Port Authority - Minnesota
Museum of American Art

From the general fund for a grant to the St.
Paul Port Authority to design, construct,
furnish, and equip improvements for the
Minnesota Museum of American Art for
the historic Pioneer Endicott Building
renovation. The project shall include
galleries and education facilities, art storage,
access to the St. Paul skyway, museum
loading, and other capital improvements
required for a museum and related education
facility. The appropriation shall be available
upon a determination by the commissioner
that at least $8,500,000 of nonstate funds
have been raised for the project and there
are sufficient funds to complete the overall
project.

Subd. 33. St. Paul - Roy Wilkins Auditorium; RiverCentre Parking
For a grant to the city of St. Paul to complete predesign for and to design a new Roy Wilkins Center to replace the existing Roy Wilkins Auditorium and RiverCentre parking ramp. This appropriation does not require a nonstate contribution.

Subd. 34. St. Peter - Minnesota Square Park Pavilion

For a grant to the city of St. Peter to demolish the existing pavilion and to predesign, design, construct, furnish, and equip a new park pavilion in Minnesota Square Park, and to design and construct a veterans memorial to be located at the corner of Highway 169 and West College Avenue in St. Peter. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 35. Silver Bay - Black Beach Municipal Campground

For a grant to the city of Silver Bay to predesign, design, construct, furnish, and equip a campground adjacent to the Black Beach recreational beach in Silver Bay, including: camping sites; electrical, water, and sewer infrastructure; a playground; a pavilion; lavatory vaults; a shower and lavatory building; and a main office building. This appropriation may also be used to design, construct, furnish, and equip a walking trail from the campground to the Black Beach recreational site. This appropriation is not available until $548,000 is committed from nonstate sources. The
nonstate contribution may be in kind. In-kind contributions may include the value of site preparation.

Subd. 36. **Thief River Falls - Wellness Center**
7,000,000

From the general fund in fiscal year 2017 for a grant to the city of Thief River Falls to redesign, design, construct, furnish, and equip a wellness center. This appropriation is available after the commissioner of management and budget determines that $18,000,000 is committed from nonstate sources.

Subd. 37. **Virginia - Miner's Memorial Building Renovation Phase I**
4,000,000

For a grant to the city of Virginia for Phase I of the renovation and reconstruction of the Miner's Memorial Building in Virginia. This appropriation is not available until at least an equal amount is committed from nonstate sources.

Subd. 38. **Wabasha - Seawall**
1,000,000

For a grant to the city of Wabasha for development of a riverboat landing and dock.

Sec. 25. **PUBLIC FACILITIES AUTHORITY**

Subdivision 1. **Total Appropriation**
$197,831,000

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

Subd. 2. **State Match for Federal Grants**
25,000,000

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,
68.1 section 446A.081. This appropriation must be used for qualified capital projects.

68.3 Subd. 3. Water Infrastructure Funding Program

68.5 (a) For grants to eligible municipalities under the water infrastructure funding program under Minnesota Statutes, section 446A.072.

68.8 (b) $55,000,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

68.12 (c) $25,000,000 is for drinking water projects listed on the Department of Health's project priority list in the fundable range under the drinking water revolving fund program.

68.17 (d) After all eligible projects under paragraph (b) or (c) have been funded, the Public Facilities Authority may transfer any remaining, uncommitted money to eligible projects under a program defined in paragraph (b) or (c) based on that program's project priority list.

68.24 Subd. 4. Point Source Implementation Grants Program

68.26 For grants to eligible municipalities under the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation must be used for qualified capital projects.

68.31 Subd. 5. Big Lake Area Sanitary District - Sewer System and Force Main

68.33 For a grant to the Big Lake Area Sanitary District to construct a pressure sewer system and force main to convey sewage to the
69.1 Western Lake Superior Sanitary District connection in the city of Cloquet. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources. This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 22, subdivision 4.

69.10 Subd. 6. Brainerd - Airport Water and Sewer 6,000,000

69.11 For a grant to the city of Brainerd to design, construct, and equip publicly owned infrastructure to increase the water supply and expand sewer and water service to the Brainerd Lakes Regional Airport.

69.16 Subd. 7. Clear Lake and Clearwater - Wastewater Treatment Facility 1,400,000

69.18 For a grant to the Clear Lake-Clearwater Sewer Authority for predesign, design, and construction of wastewater facility improvements. This appropriation is not available until the commissioner of management and budget determines that at least $200,000 is committed to the project from nonstate sources and the authority has applied for at least two grants to offset the cost. Any money received by the authority from grants will be returned to the general fund.

69.30 Subd. 8. Dennison - Sewage Treatment System Improvements 726,000

69.32 For a grant to the city of Dennison to predesign, design, and construct a new lift station and make sewage pond
improvements. This appropriation does not
require a nonstate contribution.

Subd. 9. East Grand Forks - Wastewater Infrastructure
For a grant to East Grand Forks to design
and construct wastewater infrastructure
improvements interconnecting the
wastewater system of East Grand Forks to
the wastewater treatment system in Grand
Forks, North Dakota. This appropriation
may not be used for improvements outside
the state. This appropriation is in addition
to grants under Minnesota Statutes, section
446A.072. This appropriation is not available
until the commissioner of management and
budget determines that an equal amount is
committed from nonstate sources.

Subd. 10. Koochiching County - Voyageurs National Park Clean Water Project
(a) For a grant to Koochiching County to
acquire land or interests in land, and to design,
engineer, construct, and equip sanitary
sewage systems and facilities to implement a
portion or portions of the Voyageurs National
Park clean water project comprehensive
plan. This appropriation is available after the
commissioner of management and budget
determines that $4,500,000 is committed
from nonstate sources.

(b) This appropriation is in addition to
the appropriation in Laws 2014, chapter
294, article 1, section 22, subdivision 7.
Notwithstanding the match requirement in
Laws 2014, chapter 294, article 1, section
22, subdivision 7, the nonstate match
required for this appropriation and the 2014
appropriation for a grant to Koochiching County is 25 percent of the state grant amounts. Any money remaining from this appropriation after completion of the projects in paragraph (a) is available for grants to Koochiching County or St. Louis County to be used for other projects described in the comprehensive plan.

Subd. 11. Lilydale - Highway 13 Storm Water Conveyance

From the general fund for a grant to the city of Lilydale to design, acquire, construct, and install a storm water sewer and drop structure along Trunk Highway 13 in Lilydale that will be large enough to effectively collect water from springs and storm water runoff from above the road and safely convey the water to below the bluff. The city must coordinate this project with the Department of Transportation's Trunk Highway 13 project. The appropriation and project also include capital repairs and improvements to existing drainage structures along the Big Rivers Regional Trail at the base of the bluff. This appropriation does not require a nonstate contribution.

Subd. 12. Oronoco - Wastewater Collection and Treatment Facilities

From the general fund for a grant to the city of Oronoco to commission a study to evaluate options for solving the wastewater infrastructure needs for the region including the city of Oronoco, the city of Pine Island, or the city of Rochester. This appropriation does not require a nonstate match.
Subd. 13. **St. James - Storm Sewer Line Replacement**

$1,250,000

For a grant to the city of St. James to replace a storm sewer line in St. James. This appropriation is not available until at least an equal amount is committed from nonstate sources.

Subd. 14. **Western Lake Superior Sanitary District - Combined Heat and Power System**

$8,100,000

For a grant to the Sanitary Board of the Western Lake Superior Sanitary District for Phase I and II of a project to design, construct, furnish, and equip a combined heat and power system to capture process heat and generate electricity for use at the Western Lake Superior Sanitary District wastewater treatment facilities. This appropriation is not available until the commissioner determines that at least an equal amount is committed to the project from state and nonstate sources. Loans obtained from the Public Facilities Authority shall count toward the match requirement.

Sec. 26. **MINNESOTA HOUSING FINANCE AGENCY** $20,000,000

For transfer to the housing development fund to finance the costs of rehabilitation 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.
Public housing authorities receiving a public housing assessment composite score of 80 or above or an equivalent designation are eligible to receive funding. 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. 27. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation $38,000,000

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

Subd. 2. Historic Sites Asset Preservation 2,500,000

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. Historic Fort Snelling 34,000,000

(a) To design, renovate, construct, furnish, and equip facilities to support visitor services and history programs at Historic Fort Snelling.

(b) This appropriation includes up to $4,000,000 to design facilities to support visitor services and history programs at Historic Fort Snelling. Money for design is
available the day following final enactment
and is not contingent on demonstrating a
nonstate contribution to the project. Upon
completion of the design, the unspent portion
of the amount specified in this paragraph is
available for the purposes of paragraph (c).
(c) The balance of this appropriation is to
demolish the existing visitor center, renovate,
construct, furnish, and equip facilities,
including landscaping and wayfinding, at
Historic Fort Snelling. This appropriation
is not available until the commissioner of
management and budget determines that an
amount sufficient to complete the project has
been committed from nonstate sources.

Subd. 4. County and Local Preservation Grants 1,500,000

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.

Sec. 28. OFFICE OF THE LEGISLATIVE
AUDITOR - ASSET PRESERVATION
FUNDING REPORT $ 50,000

From the general fund to the Office of the
Legislative Auditor for the report on options
for funding asset preservation, as described
in article 2, section 19.

Sec. 29. MINNESOTA SUPREME COURT $ 6,000,000

From the general fund to the chief justice of
the Supreme Court for a competitive grant
program established by the chief justice for
the distribution of grants to government
entities for capital improvements to make
courthouses or other facilities where court proceedings are held safe and secure. Grant recipients must provide a 50 percent nonstate match.

Sec. 30. **BOND SALE EXPENSES**

Subdivision 1. **Total Appropriation** $1,640,000

To the commissioner of management and budget for the purposes specified in this section.

Subd. 2. **Bond Proceeds Fund** 1,595,000

From the bond proceeds fund for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Subd. 3. **Trunk Highway Fund** 45,000

From the bond proceeds account in the trunk highway fund for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 31. Laws 2015, First Special Session chapter 5, article 1, section 19, is amended to read:

Sec. 19. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2017, no more than $1,267,459,000 $1,250,584,000 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 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. 32. 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 $1,406,551,000 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. 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 $180,400,000 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. 3. Trunk highway fund. 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 $43,045,000 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 deposited in the bond proceeds account in the trunk highway fund.

Subd. 4. 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 $9,735,000 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.

Sec. 33. CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.

(a) The bond sale authorization in Laws 1990, chapter 610, article 1, section 30, subdivision 1, as amended, is reduced by $3,129.

(b) The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, as amended, is reduced by $24,480.

(c) The bond sale authorization in Laws 1997, Second Special Session chapter 2, section 12, as amended, is reduced by $96,992.

(d) The bond sale authorization in Laws 1999, chapter 240, article 1, section 13, subdivision 1, as amended, is reduced by $212,472.

(e) The bond sale authorization in Laws 2000, chapter 492, article 1, section 26, subdivision 1, as amended, is reduced by $7,933,538.
(f) The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended, is reduced by $188,471.

(g) The bond sale authorization in Laws 2002, First Special Session chapter 1, section 9, subdivision 1, is reduced by $217,959.

(h) The bond sale authorization in Laws 2003, First Special Session chapter 19, article 3, section 2, is reduced by $201,530.

(i) The bond sale authorization in Laws 2003, First Special Session chapter 19, article 4, section 4, is reduced by $326,534.

(j) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended, is reduced by $3,366,628.

Sec. 34. EFFECTIVE DATE.

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

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 2015 Supplement, section 16A.967, is amended to read:

16A.967 LEWIS AND CLARK APPROPRIATION BONDS.

Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

(b) "Appropriation bond" or "bond" means a bond, note, or other similar instrument of the state payable during a biennium from one or more of the following sources:

(1) money appropriated by law from the general fund in any biennium for debt service due with respect to obligations described in subdivision 2, paragraph (c)

(2) proceeds of the sale of obligations described in subdivision 2, paragraph (c)

(3) payments received for that purpose under agreements and ancillary arrangements described in subdivision 2, paragraph (d); and

(4) investment earnings on amounts in clauses (1) to (3).

(c) "Debt service" means the amount payable in any biennium of principal, premium, if any, and interest on appropriation bonds.

Subd. 2. Authorization to issue appropriation bonds. (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state
under this section for public purposes as provided by law, including, in particular, the
financing of the land acquisition, design, engineering, and construction of facilities and
infrastructure necessary to complete the next phase of the Lewis and Clark Regional Water
System project, including completion of the pipeline to Magnolia, extension of the project
to the Lincoln Pipestone Rural Water System connection near Adrian, and engineering,
design, and easement acquisition for the final phase of the project to Worthington. No
bonds shall be sold until the commissioner determines that a nonstate match of at least
$9,000,000 is committed to this project phase. Grant agreements entered into under this
section must provide for reimbursement to the state from any federal money provided for
the project, consistent with the Lewis and Clark Regional Water System, Inc., agreement.

(b) The appropriation bonds may be issued and sold only after the commissioner
determines that the construction and administration for work done on the project will
comply with (1) all federal requirements and regulations associated with the Lewis and
Clark Rural Water System Act of 2000, and (2) the cooperative agreement between the
United States Department of the Interior and the Lewis and Clark Regional Water System,
Inc. Proceeds of the appropriation bonds must be credited to a special appropriation Lewis
and Clark bond proceeds fund in the state treasury. All income from investment of the
bond proceeds, as estimated by the commissioner, is appropriated to the commissioner for
the payment of principal and interest on the appropriation bonds.

c) Appropriation bonds may be sold and issued in amounts that, in the opinion of
the commissioner, are necessary to provide sufficient money, not to exceed $19,000,000
net of costs of issuance, for the purposes as provided under paragraph (a), and pay debt
service including capitalized interest, costs of issuance, costs of credit enhancement, or
make payments under other agreements entered into under paragraph (c).

c) Appropriation bonds may be issued in one or more issues or series on the
terms and conditions the commissioner determines to be in the best interests of the
state, but the term on any series of appropriation bonds may not exceed 25 years. The
appropriation bonds of each issue and series thereof shall be dated and bear interest,
and may be includable in or excludable from the gross income of the owners for federal
income tax purposes.

d) At the time of, or in anticipation of, issuing the appropriation bonds, and at
time thereafter, so long as the appropriation bonds are outstanding, the commissioner
may enter into agreements and ancillary arrangements relating to the appropriation bonds,
including but not limited to trust indentures, grant agreements, lease or use agreements,
operating agreements, management agreements, liquidity facilities, remarketing or
dealer agreements, letter of credit agreements, insurance policies, guaranty agreements,
reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

(4) (c) The commissioner may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with or facilitate the issuance of appropriation bonds in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15e 2-12. An agreement may be in the form of covenants with purchasers and holders of appropriation bonds set forth in the order or resolution authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

(4) (f) The appropriation bonds are not subject to chapter 16C.

Subd. 2a. Project authorization. Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, paragraph (a), not to exceed $19,000,000 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under subdivision 2, paragraph (d). The bonds authorized by this subdivision are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian; and engineering, design, and easement acquisition for the final phase of the project to Worthington. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least $9,000,000 is committed to this project phase.

Subd. 2b. Additional project authorization. Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, paragraph (b), not to exceed $11,500,000 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under subdivision 2, paragraph (d). The bonds authorized by this subdivision are for the purposes of financing the land acquisition, design, engineering, and construction of
facilities and infrastructure necessary to complete Phase 3 of the Lewis and Clark Regional Water System project, including extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction of a reservoir in Nobles County and a meter building in Worthington, and acquisition and installation of a supervisory control and data acquisition (SCADA) system. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least $9,000,000 is committed to the final phase of the project.

Subd. 3. Form; procedure. (a) Appropriation bonds may be issued in the form of bonds, notes, or other similar instruments, and in the manner provided in section 16A.672. In the event that any provision of section 16A.672 conflicts with this section, this section shall control.

(b) Every appropriation bond shall include a conspicuous statement of the limitation established in subdivision 6.

(c) Appropriation bonds may be sold at either public or private sale upon such terms as the commissioner shall determine are not inconsistent with this section and may be sold at any price or percentage of par value. Any bid received may be rejected.

(d) Appropriation bonds must bear interest at a fixed or variable rate.

(e) Notwithstanding any other law, appropriation bonds issued under this section shall be fully negotiable.

Subd. 4. Refunding bonds. The commissioner may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding appropriation bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the appropriation bonds to be refunded or interest or premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the general fund or, if applicable, the special appropriation Lewis and Clark bond proceeds fund for use in any lawful manner. All
81.1 refunding bonds issued under this subdivision must be prepared, executed, delivered, and
81.2 secured by appropriations in the same manner as the appropriation bonds to be refunded.
81.3
81.4 Subd. 5. Appropriation bonds as legal investments. Any of the following entities
81.5 may legally invest any sinking funds, money, or other funds belonging to them or under
81.6 their control in any appropriation bonds issued under this section:
81.7
81.8 (1) the state, the investment board, public officers, municipal corporations, political
81.9 subdivisions, and public bodies;
81.10
81.11 (2) banks and bankers, savings and loan associations, credit unions, trust companies,
81.12 savings banks and institutions, investment companies, insurance companies, insurance
81.13 associations, and other persons carrying on a banking or insurance business; and
81.14
81.15 (3) personal representatives, guardians, trustees, and other fiduciaries.
81.16
81.17 Subd. 6. No full faith and credit; state not required to make appropriations. The
81.18 appropriation bonds are not public debt of the state, and the full faith, credit, and taxing
81.19 powers of the state are not pledged to the payment of the appropriation bonds or to any
81.20 payment that the state agrees to make under this section. Appropriation bonds shall not be
81.21 obligations paid directly, in whole or in part, from a tax of statewide application on any
81.22 class of property, income, transaction, or privilege. Appropriation bonds shall be payable
81.23 in each fiscal year only from amounts that the legislature may appropriate for debt service
81.24 for any fiscal year, provided that nothing in this section shall be construed to require the
81.25 state to appropriate money sufficient to make debt service payments with respect to the
81.26 appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall
81.27 no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the
81.28 legislature shall not have appropriated amounts sufficient for debt service, or (2) the date
81.29 of final payment of the principal of and interest on the appropriation bonds.
81.30
81.31 Subd. 7. Appropriation of proceeds. (a) The proceeds of appropriation bonds
81.32 issued under subdivision 2a and interest credited to the special appropriation Lewis and
81.33 Clark bond proceeds fund are appropriated as follows:
81.34
81.35 (1) to the commissioner Public Facilities Authority for a grant to the Lewis and
81.36 Clark Joint Powers Board for payment of capital expenses for the purposes provided by as
81.37 specified in subdivision 2, paragraph (a), 2a; and
81.38
81.39 (2) to the commissioner for debt service on the bonds including capitalized interest,
81.40 nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and
81.41 payments under any agreements entered into under subdivision 2, paragraph (e), (d), each
81.42 as permitted by state and federal law, and such proceeds may be granted, loaned, or
81.43 otherwise provided for the public purposes provided by subdivision 2, paragraph (a).
(b) The proceeds of appropriation bonds issued under subdivision 2b and interest credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated as follows:

1. to the Public Facilities Authority for a grant to the Lewis and Clark Joint Powers Board for payment of capital expenses as specified in subdivision 2b; and

2. to the commissioner for debt service on the bonds including capitalized interest, nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds, and payments under any agreements entered into under subdivision 2, paragraph (d), each as permitted by state and federal law.

Subd. 8. Appropriation for debt service and other purposes. (a) An amount, up to $1,351,000 needed to pay principal and interest on appropriation bonds issued under this section subdivision 2a is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The appropriation is available beginning in fiscal year 2017 and through fiscal year 2038.

(b) An amount up to $855,000 needed to pay principal and interest on appropriation bonds issued under subdivision 2b is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The appropriation is available beginning in fiscal year 2018 and through fiscal year 2039.

Subd. 9. Waiver of immunity. The waiver of immunity by the state provided for by section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any ancillary contracts to which the commissioner is a party.

Sec. 2. [16C.053] ACCOMMODATION FOR HARD-OF-HEARING IN STATE-FUNDED CAPITAL PROJECTS.

Subdivision 1. Definition. For purposes of this section, "public gathering space" means a space that is constructed or renovated as part of the project and (1) that accommodates and is intended to be used for gatherings of 15 or more people; and (2) in which audible communications are integral to a use of the space.

Subd. 2. Accommodation for hard-of-hearing in state-funded capital projects.

No commissioner or agency head may approve a contract for, or grant state funds for, a capital improvement project to construct or renovate a public gathering space in a building unless:
(1) the project includes equipping the public gathering space, if the public gathering space has or will have a permanent audio-amplification system, with audio-induction loops to provide an electromagnetic signal for hearing aids and cochlear implants; and

(2) the project includes meeting the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools on maximum background noise level and reverberation times in the public gathering space.

Subd. 3. Exemption. A commissioner or agency head may approve a contract for, or grant state funds for, a capital improvement project to construct or renovate a building that does not meet a requirement of subdivision 2, when the commissioner or agency head determines that meeting that requirement is not feasible, is in conflict with other requirements in law, is in conflict with other project requirements, or that costs outweigh the benefits. The commissioner must consult with the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans before making the determination.

Subd. 4. Exemption reports. A commissioner or agency head who determines a contract is exempt under subdivision 3 must report the exemption to the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans within three months of making the determination. The chair of the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans shall submit a report to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over state contracting by January 30 of even-numbered years beginning in 2020 identifying each exemption reported in the previous two calendar years.

EFFECTIVE DATE. This act is effective August 1, 2016, and applies to all projects funded with an appropriation enacted after August 1, 2016, for which requests for bids or proposals are issued after January 1, 2018. For projects for which requests for bids or proposals are issued before January 1, 2018, the commissioners and agency heads are encouraged to comply with this section.

Sec. 3. Minnesota Statutes 2014, section 85.34, subdivision 1, is amended to read:

Subdivision 1. Upper bluff; lease terms. The commissioner of natural resources with the approval of the Executive Council may lease for purposes of restoration, preservation, historical, recreational, educational, and commercial use and development, that portion of Fort Snelling State Park known as the upper bluff consisting of officer's row, area J, the polo grounds, the adjacent golf course, and all buildings and improvements located thereon, all lying within an area bounded by Minneapolis-St. Paul International Airport, Trunk Highways numbered 5 and 55, and Bloomington Road. The lease or leases shall be in a form approved by the attorney general and for a term of not to exceed 99
years. The lease or leases may provide for the provision of capital improvements or other
performance by the tenant or tenants in lieu of all or some of the payments of rent that
would otherwise be required. Notwithstanding the continuing ownership of the upper bluff
by the state, any lease of one or more buildings improved with state general obligation
bond proceeds that exceeds 50 years shall be treated as a sale of the buildings for purposes
of section 16A.695, subdivision 3. Any disposition proceeds payable to the commissioner
upon execution of any lease relating to state bond financed buildings at the upper bluff
shall be applied in accordance with the requirements of section 16A.695, subdivision 3,
and used to pay, redeem, or defease state general obligation bonds issued for purposes of
improving those buildings. Any lease revenues paid to the commissioner subsequent to
the payment, redemption, or defeasance of state general obligation bonds shall be used
by the commissioner as further described in this section.

Sec. 4. [115.441] VARIANCE ASSISTANCE FOR MUNICIPALITIES.

Subdivision 1. Reimbursement account. A variance assistance account is
established as an account in the special revenue fund.

Subd. 2. Eligible expenditures. Money in the variance assistance account may be
used to reimburse an eligible municipality for up to 95 percent of the fee charged under
Minnesota Rules, part 7002.0253, for an application for a variance under section 116.07,
subdivision 5.

Subd. 3. Eligible municipality. To be eligible for a reimbursement from the
account established in this section, a municipality must demonstrate need for financial
assistance in one of the following ways:

(1) a score of 2.0 or less on the Minnesota Pollution Control Agency's multifactor
index of financial hardship;

(2) a score greater than 2.0 and up to 2.5 on the financial hardship index and a
description of unique extenuating financial circumstances that exist for the municipality
resulting in an inability to afford the variance application fee; or

(3) a municipality with a population under 1,000.

Sec. 5. Minnesota Statutes 2014, section 161.14, is amended by adding a subdivision
to read:

Subd. 82. James Metzen Street. Notwithstanding section 10.49, that segment
of marked Trunk Highway 952 located within Dakota County is designated as "James
Metzen Street." Notwithstanding section 161.139, the commissioner shall adopt a suitable
design to mark this highway and erect appropriate signs.
EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2014, section 174.52, subdivision 2, is amended to read:

Subd. 2. Trunk highway corridor projects Local cost-share assistance account.

A trunk highway corridor projects local cost-share assistance account is established in the local road improvement fund. Money in the account is annually appropriated to the commissioner of transportation for expenditure as specified in this section. Money in the account must be used as grants or loans to statutory or home rule charter cities, towns, and counties to assist in paying the local share of trunk highway projects that have local costs that are directly or partially related to the trunk highway improvement and that are not funded or are only partially funded with other state and federal funds. The commissioner shall determine the amount of the local share of costs eligible for assistance from the account.

Sec. 7. [219.016] CRUDE OIL AND HAZARDOUS MATERIALS RAIL SAFETY ACCOUNT AND GRANT PROGRAM.

Subdivision 1. Purpose. A hazardous materials rail safety program is established for the purpose of reducing the risks associated with transporting hazardous material by rail.

Subd. 2. Creation of account. A hazardous materials rail safety program account is established in the bond proceeds fund. Money in the account may only be used for capital costs associated with planning, engineering, administration, and construction of public highway-rail grade crossing improvements on rail corridors transporting crude oil and other hazardous materials. Improvements may include upgrades to existing protection systems, the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings to full grade separations.

Subd. 3. Grants. The commissioner may approve grants for financial assistance to eligible applicants for capital costs associated with hazardous materials rail safety projects on public highway-rail grade crossings. Qualifying capital costs include, but are not limited to, upgrades to existing protection systems, the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings to full grade separations.

Subd. 4. Eligible applicants. Counties, statutory or home rule charter cities, or towns that are responsible for establishing and maintaining public highway-rail grade crossings on rail corridors transporting crude oil and other hazardous materials may apply to the commissioner for financial assistance for the purposes in this section.
Subd. 5. Criteria for grant award. The commissioner shall consider the following criteria to evaluate applications for a grant award for a hazardous materials rail safety project:

(1) whether the crossing was identified as a potential candidate for grade separation in MnDOT's crude by rail grade crossing study (Improvements to Highway Grade Crossings and Rail Safety, December 2014);

(2) roadway traffic volumes and speeds;

(3) train volumes and speeds;

(4) adjacent land use;

(5) crash history;

(6) use of the crossing by emergency vehicles;

(7) use of the crossing by vehicles carrying hazardous materials;

(8) local financial contributions to the project; and

(9) private financial contributions to the project.

Sec. 8. Minnesota Statutes 2014, section 446A.072, is amended to read:

446A.072 WASTEWATER WATER INFRASTRUCTURE FUNDING

Subdivision 1. Establishment of program. The authority will establish a wastewater water infrastructure funding program to provide supplemental assistance to governmental units receiving funding through the clean water revolving fund program, the drinking water revolving fund program, or the United States Department of Agriculture Rural Economic and Community Development's (USDA/RECD) Water and Waste Disposal Loans and Grants program for the predesign, design, and construction of municipal wastewater treatment and drinking water systems, including purchase of land and easements. The purpose of the program is to assist governmental units demonstrating financial need to build cost-effective projects to address existing environmental or public health problems. To implement the program, the authority shall establish a wastewater water infrastructure fund to provide grants and loans for the purposes authorized under title VI of the Federal Water Pollution Control Act and the federal Safe Drinking Water Act. The fund shall be credited with all investment income from the fund and all repayments of loans, grants, and penalties.

Subd. 3. Program administration. (a) The authority shall provide supplemental assistance, as provided in subdivision 5a to governmental units:

(1) whose projects are listed on the Pollution Control Agency's project priority list or the commissioner of health's project priority list;

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(2) that demonstrate their projects are a cost-effective solution to an existing
environmental or public health problem; and
(3) whose projects are approved by the USDA/RECD or certified by the
commissioner of the Pollution Control Agency or the commissioner of health.

(b) For a governmental unit receiving grant funding from the USDA/RECD,
applications must be made to the USDA/RECD with additional information submitted to
the authority as required by the authority. Eligible project costs and affordability criteria
shall be determined by the USDA/RECD.

(c) For a governmental unit not receiving grant funding from the USDA/RECD,
application must be made to the authority on forms prescribed by the authority for the
clean water revolving fund program or the drinking water revolving fund program with
additional information as required by the authority. In accordance with section 116.182,
the Pollution Control Agency or the commissioner of health shall:

(1) calculate the essential project component percentage based on the portion of
project costs necessary to convey or treat the existing wastewater flows and loadings or,
for drinking water projects, to provide safe drinking water to meet existing needs, which
must be multiplied by the total project cost to determine the eligible project cost for the
program under this section; and

(2) review and certify approved projects to the authority.

(d) Each fiscal year the authority shall make funds available for projects based on
their ranking on the Pollution Control Agency's project priority list or the commissioner
of health's project priority list. The authority shall reserve funds for a project when
the applicant receives a funding commitment from the United States Department of
Agriculture Rural Development (USDA/RECD) or submits plans and specifications to
the project is certified by the Pollution Control Agency or the commissioner of health.
Funds must be reserved in an amount based on the project cost estimate submitted to the
authority prior to the appropriation of the funds and awarded based on the lesser of that
amount or the as-bid cost when the project is certified or the as-bid cost, whichever is less.

Subd. 5a. Type and amount of assistance. (a) For a governmental unit receiving
grant funding from the USDA/RECD, the authority may provide assistance in the form
of a grant of up to 65 percent of the eligible grant need determined by USDA/RECD. A
governmental unit may not receive a grant under this paragraph for more than $4,000,000
$5,000,000 per project or $15,000 $20,000 per existing connection, whichever is less,
unless specifically approved by law.

(b) For a governmental unit receiving a loan from the clean water revolving fund
under section 446A.07, the authority may provide assistance under this section in the form
of a grant if the average annual residential wastewater system cost after completion of the project would otherwise exceed 1.4 percent of the median household income of the project service area. In determining whether the average annual residential wastewater system cost would exceed 1.4 percent, the authority must consider the total costs associated with building, operating, and maintaining the wastewater system, including existing wastewater debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the clean water revolving fund loan under section 446A.07, subdivision 7. The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential wastewater system cost to 1.4 percent of median household income in the project service area, to a maximum of $4,000,000 $5,000,000 per project or $15,000 $20,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

(c) For a governmental unit receiving a loan from the drinking water revolving fund under section 446A.081, the authority may provide assistance under this section in the form of a grant if the average annual residential drinking water system cost after completion of the project would otherwise exceed 1.2 percent of the median household income of the project service area. In determining whether the average annual residential drinking water system cost would exceed 1.2 percent, the authority must consider the total costs associated with building, operating, and maintaining the drinking water system, including existing drinking water debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the drinking water revolving fund loan under section 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential drinking water system cost to 1.2 percent of median household income in the project service area, to a maximum of $5,000,000 per project or $20,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

(d) Notwithstanding the limits in paragraphs (a) and (b), and (c), for a governmental unit receiving supplemental assistance under this section after January 1,
2002, if the authority determines that the governmental unit's construction and installation costs are significantly increased due to geological conditions of crystalline bedrock or karst areas and discharge limits that are more stringent than secondary treatment, the maximum award under this section shall not be more than $25,000 per existing connection.

Subd. 5b. Special assessment deferral. A governmental unit receiving a loan under subdivision 5a that levies special assessments to repay the loan under subdivision 5a or section 446A.07 may defer payment of such assessments under the provisions of sections 435.193 to 435.195.

Subd. 6. Disbursements. Disbursements of grants or loans awarded under this section by the authority to recipients must be made for eligible project costs as incurred by the recipients, and must be made by the authority in accordance with the project financing agreement and applicable state and federal laws and rules governing the payments.

Subd. 7. Loan repayments. Notwithstanding the limitations set forth in section 475.54, subdivision 1, this subdivision shall govern the maturities and mandatory sinking fund redemptions of the loans under this section. A governmental unit receiving a loan under this section shall repay the loan in semiannual payment amounts determined by the authority. The payment amount must be based on the average payments on the governmental unit's clean water revolving fund loan or, if greater, the minimum amount required to fully repay the loan by the maturity date. Payments must begin within one year of the date of the governmental unit's final payment on the clean water revolving fund loan. The final maturity date of the loan under this section must be no later than 20 years from the date of the first payment on the loan under this section and no later than 40 years from the date of the first payment on the clean water revolving fund loan.

Subd. 8. Eligibility. A governmental unit is eligible for assistance under this section only after applying for grant funding from other sources and funding has been obtained, rejected, or the authority has determined that the potential funding is unlikely.

Subd. 9. Funding limitation. Supplemental assistance may not be used to reduce the sewer service charges of a significant wastewater contributor industrial user that has a separate service charge agreement with the recipient, or a single user that has caused the need for the project or whose current or projected flow and load exceed usage exceeds one-half of the current wastewater treatment plant's or drinking water system capacity.

Subd. 11. Report on needs. By February 1 of each even-numbered year, the authority, in conjunction with the Pollution Control Agency and the commissioner of health, shall prepare a report to the Finance Division of the senate Environment and Natural Resources Committee and the house of representatives Environment and Natural
Resources Finance Committee on wastewater and drinking water funding assistance needs of governmental units under this section.

Subd. 12. **System replacement fund.** Each governmental unit receiving a loan or grant under this section shall establish a system replacement fund and shall annually deposit a minimum of $.50 per 1,000 gallons of flow for major rehabilitation or expansion or replacement of the treatment wastewater or drinking water system, or replacement of the treatment system at the end of its useful life. Money must remain in the account for the life of the corresponding project loan from the authority or USDA/RECD, unless use of the fund is approved in writing by the authority for major rehabilitation, expansion, or replacement of the treatment wastewater or drinking water system. By March 1 each year during the life of the loan, each recipient shall submit a report to the authority regarding the amount deposited and the fund balance for the prior calendar year. A recipient is not required to maintain a fund balance greater than the amount of the grant received. Failure to comply with the requirements of this subdivision shall result in the authority assessing a penalty fee to the recipient equal to one percent of the supplemental assistance amount for each year of noncompliance. Failure to make the required deposit or pay the penalty fee as required constitutes a default on the loan.

Subd. 14. **Consistency with land use plans.** A governmental unit applying for a project in an unsewered area shall include in its application to the authority a certification from the county in which the project is located that:

1. the project is consistent with the county comprehensive land use plan, if the county has adopted one;
2. the project is consistent with the county water plan, if the county has adopted one; and
3. the county has adopted specific land use ordinances or controls so as to meet or exceed the requirements of Minnesota Rules, part 7080.0305.

Sec. 9. Minnesota Statutes 2014, section 446A.073, as amended by Laws 2015, First Special Session chapter 4, article 4, sections 127, 128, and 129, is amended to read:

**446A.073 POINT SOURCE IMPLEMENTATION GRANTS.**

Subdivision 1. **Program established.** When money is appropriated for grants under this program, the authority shall award grants up to a maximum of $2,000,000 to $7,000,000 to governmental units to cover up to one-half 80 percent of the cost of water infrastructure projects made necessary by:
(1) a wasteload reduction prescribed under a total maximum daily load plan required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);

(2) a phosphorus concentration or mass limit which requires discharging one milligram per liter or less at permitted design flow which is incorporated into a permit issued by the Pollution Control Agency;

(3) any other water quality-based effluent limit established under section 115.03, subdivision 1, paragraph (e), clause (8), and incorporated into a permit issued by the Pollution Control Agency that exceeds secondary treatment limits; or

(4) a total nitrogen concentration or mass limit of that requires discharging ten milligrams per liter or less for a land-based treatment system at permitted design flow.

Subd. 2. Grant application. Application for a grant must be made to the authority on forms prescribed by the authority for the total maximum daily load grant program, with additional information as required by the authority, including a project schedule and cost estimate for the work necessary to comply with the point source wasteload allocation requirements listed in subdivision 1. The Pollution Control Agency shall:

(1) in accordance with section 116.182, calculate the essential project component percentage, which must be multiplied by the total project cost to determine the eligible project cost; and

(2) review and certify to the authority those projects that have plans and specifications approved under section 115.03, subdivision 1, paragraph (f).

Subd. 3. Project priorities. When money is appropriated for grants under this program, the authority shall accept applications under this program during the month of July and reserve money for projects expected to proceed with construction by the end of the fiscal year in the order listed on the Pollution Control Agency's project priority list and in an amount based on the cost estimate submitted to the authority in the grant application or the as-bid costs, whichever is less. Notwithstanding Minnesota Rules, chapter 7077, the Pollution Control Agency may rank a drinking water infrastructure project on the agency's project priority list if the project is necessary to meet an applicable requirement in subdivision 1.

Subd. 4. Grant approval. The authority must make a grant for an eligible project only after:

(1) the applicant has submitted the as-bid cost for the water infrastructure project; and

(2) the Pollution Control Agency has approved the as-bid costs and certified the grant eligible portion of the project; and
Subd. 5. **Grant disbursement.** Disbursement of a grant must be made for eligible project costs as incurred by the governmental unit and in accordance with a project financing agreement and applicable state and federal laws and rules governing the payments.

Sec. 10. Minnesota Statutes 2014, section 446A.081, subdivision 9, is amended to read:

Subd. 9. **Other uses of fund.** (a) The drinking water revolving loan fund may be used as provided in the act, including the following uses:

1. to buy or refinance the debt obligations, at or below market rates, of public water systems for drinking water systems, where the debt was incurred after the date of enactment of the act, for the purposes of construction of the necessary improvements to comply with the national primary drinking water regulations under the federal Safe Drinking Water Act;
2. to purchase or guarantee insurance for local obligations to improve credit market access or reduce interest rates;
3. to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;
4. to provide loans or loan guarantees for similar revolving funds established by a governmental unit or state agency;
5. to earn interest on fund accounts;
6. to pay the reasonable costs incurred by the authority, the Department of Employment and Economic Development, and the Department of Health for conducting activities as authorized and required under the act up to the limits authorized under the act;
7. to develop and administer programs for water system supervision, source water protection, and related programs required under the act;
8. notwithstanding Minnesota Rules, part 7380.0280, to provide principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal law, based on the criteria and requirements established for drinking water projects under the water infrastructure funding program under section 446A.072;
9. to provide loans, principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal law to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities; and

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(10) to provide principal forgiveness, or grants for 50 percent of the project cost up to a maximum of $10,000 for projects needed to comply with national primary drinking water standards for an existing community or noncommunity public water system.

(b) Principal forgiveness or grants under paragraph (a), clause (8), must only be provided if the average annual residential drinking water system cost after completion of the project would otherwise exceed 1.2 percent of the median household income in the project service area. In determining whether the average annual residential drinking water system cost would exceed 1.2 percent, the authority must consider the total costs associated with building, operating, and maintaining the drinking water system, including debt service and operation and maintenance costs. Debt service costs for the proposed project must be calculated based on the maximum loan term permitted for the drinking water revolving fund loan under this section. The amount of the principal forgiveness or grant must be equal to 80 percent of the amount needed to reduce the average annual residential drinking water system cost to 1.2 percent of median household income in the project service area, to a maximum of $4,000,000 or $15,000 per connection, whichever is less, and not to exceed 80 percent of the total project cost.

(e) (b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not exceed 25 percent of the eligible project costs as determined by the Department of Health for project components directly related to green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities, up to a maximum of $1,000,000.

(d) The authority may reduce the percentage of median household income at which a loan term could extend to 30 years under subdivision 8, paragraph (c), and at which principal forgiveness or grants could be provided under paragraph (b) if it determines that the federal money allotted to the state cannot be fully utilized without the reduction. If it determines that the reduction is necessary to fully utilize the federal money, the authority must effect the change through its approval of the annual intended use plan.

Sec. 11. Minnesota Statutes 2014, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. Bonding authority. The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of
the authority may be issued as bonds or notes or in any other form authorized by law.

The principal amount of bonds issued and outstanding under this section at any time may not exceed $1,500,000,000, $2,000,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued, and excluding any bonds issued for the credit enhanced bond program or refunding or crossover refunding bonds issued under the program. The principal amount of bonds issued and outstanding under section 446A.087, may not exceed $500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 12. Minnesota Statutes 2014, section 462A.37, is amended by adding a subdivision to read:

Subd. 2c. Additional authorization. In addition to the amount authorized in subdivisions 2, 2a, and 2b, the agency may issue up to $70,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

Sec. 13. Minnesota Statutes 2015 Supplement, section 462A.37, subdivision 5, is amended to read:

Subd. 5. Additional appropriation. (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivisions 2a and 2b, and 2c.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed $6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed $800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure bonds issued under subdivision 2c remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed
$5,600,000 annually. The amounts necessary to make the transfers are appropriated from
the general fund to the commissioner of management and budget.

Sec. 14. Laws 2002, chapter 393, section 22, subdivision 6, as amended by Laws 2005,
chapter 20, article 1, section 43, and Laws 2013, chapter 136, section 10, is amended to
read:

Subd. 6. Fergus Falls Regional Treatment Center
3,000,000

To design, renovate, construct, furnish,

and equip ancillary support and program

facilities, including improvements to basic

infrastructure, such as sanitary and storm

sewer and water lines, public streets,
curb, gutter, street lights, or sidewalks, to
make improvements for building envelope

and structural integrity for the purposes

of stabilizing the buildings for sale, for
hazardous materials abatement, and for
demolition of all or portions of surplus,
nonfunctional, or deteriorated facilities
and infrastructure or to renovate surplus,
nonfunctional, or deteriorated facilities and
infrastructure to facilitate the redevelopment
of the Fergus Falls Regional Treatment
Center campus. If the property is sold or
transferred to a local unit of government, the
unspent portion of this appropriation may be
granted to the local unit of government that
acquires the campus for the purposes stated
in this subdivision.

Notwithstanding Minnesota Statutes, section
16A.642, the bond sale authorization and
appropriation of bond proceeds in this
subdivision are available until December 31, 2016–2018.

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

Sec. 15. Laws 2008, chapter 179, section 7, subdivision 27, as amended by Laws 2010, chapter 189, section 56, Laws 2010, chapter 399, section 4, Laws 2012, chapter 293, section 39, and Laws 2014, chapter 294, article 2, section 9, 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. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2016.

$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. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2017.

$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. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

$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 Milan and to the Marsh Lake Dam. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

$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. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2016.

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

For any project listed in this subdivision that the commissioner determines is not ready to

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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. 16. Laws 2011, First Special Session chapter 12, section 13, subdivision 8,
is amended to read:

Subd. 8. Rail Service Improvement - St. Louis
Park Noise Barrier 700,000

For a grant to the city of St. Louis Park to
predesign, design, construct, and install noise
mitigation barriers associated with route
changes for freight rail. This appropriation
may be used to design and construct trail
safety improvements for the Beltline trail
bridge, the Wooddale trail underpass, and the
Louisiana trail underpass. Notwithstanding
Minnesota Statutes, section 16A.642, this
appropriation is available until January 1,
2018.

Sec. 17. Laws 2012, chapter 293, section 7, subdivision 8, is amended to read:

Subd. 8. Lake Zumbro 3,000,000

For a grant to Olmsted County for the
removal of sedimentation in Lake Zumbro,
including final engineering, dredging,
and dredged soil disposal from the sites
identified in the Preliminary Engineering
Report for Dredging Lake Zumbro.
This project is designed to improve the
recreational economy, water quality, and
habitat, and increase water storage capacity
within the lake to achieve renewable energy goals by optimizing long-term hydroelectric operations. 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. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2018.

Sec. 18. Laws 2012, chapter 293, section 17, subdivision 4, is amended to read:

Subd. 4. Phillips Community Center 1,750,000

For a grant to the Minneapolis Park and Recreation Board to predesign, design, engineer, reconstruct, renovate, furnish, and equip the Phillips Community Center indoor competitive swimming pool and to predesign, design, engineer, and construct an additional indoor multipurpose family pool and facilities associated with an aquatic center in the community center, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner determines that at least $350,000 is committed from nonstate sources. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2018.

Sec. 19. Laws 2014, chapter 294, article 1, section 7, subdivision 15, is amended to read:

Subd. 15. Grant County Trail Grant 100,000
For a grant to Grant County for predesign, acquisition, and improvements for a trail from the city of Elbow Lake to Pomme de Terre Lake. The commissioner of natural resources may allocate any amount not needed to complete this project to state trail acquisition and improvements under Minnesota Statutes, section 85.015.

Sec. 20. Laws 2014, chapter 294, article 1, section 17, subdivision 6, is amended to read:

Subd. 6. *Inver Grove Heights - Heritage Village Park* 2,000,000

$1,500,000 of this appropriation is for a grant to the city of Inver Grove Heights and $500,000 of this appropriation is for a grant to Dakota County. This appropriation is for public infrastructure improvements and land acquisition in and adjacent to the Heritage Village Park, the Mississippi River Trail, and the Rock Island Swing Bridge. These improvements will include but are not limited to motor vehicle access, utility service, stormwater treatment, and trail and sidewalk connections. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 21. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

Subd. 12. *West St. Paul - North Urban Regional Trail Bridge River-to-River Greenway Crossing* 2,000,000

For a grant to the city of West St. Paul to predesign, design, and construct a pedestrian
bridge grade-separated crossing for the
North Urban Regional Trail as an overpass
River-to-River Greenway of Robert Street in
the area near Wentworth Avenue in West St.
Paul. This appropriation may also be used to
acquire property or purchase rights-of-way
needed for bridge construction. A nonstate
match is not required.

Sec. 22. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision
3, is amended to read:

Subd. 3. Local Road Improvement Fund
Grants

(a) From the bond proceeds account in
the state transportation fund as provided
in Minnesota Statutes, section 174.50, for
construction and reconstruction of local
roads with statewide or regional significance
under Minnesota Statutes, section 174.52,
subdivision 4, or for grants to counties to
assist in paying the costs of rural road safety
capital improvement projects on county
state-aid highways under Minnesota Statutes,
section 174.52, subdivision 4a.
(b) This appropriation includes $850,000 for
a grant to the city of Sandstone for predesign,
design, engineering, and construction of a
road extending south of marked Trunk
Highway 23 across from Lundorff Drive
to the airport area, and including a bridge
over Skunk Creek in Sandstone, in order to
facilitate repurposing of an area of the airport
into a business park. This appropriation
is not available until the commissioner of
management and budget determines that
sufficient resources to complete the project
are committed to it from other sources,

including any funds made available from the
commissioner of transportation.

(c) This appropriation includes $3,770,000
for a grant to Kandiyohi County for
construction and reconstruction of local
roads to facilitate the construction of
highway-rail grade separations at U.S.
Highway 12 and Minnesota Highway 40, or
County State-Aid Highway 55 as part of the
Willmar Wye project.

Sec. 23. OFFICE OF LEGISLATIVE AUDITOR REPORT - FUNDING FOR
ASSET PRESERVATION.

Subdivision 1. Report. By November 15, 2016, the legislative auditor shall report to
the chairs and ranking minority members of the committees in the senate with jurisdiction
over finance and capital investment and in the house of representatives with jurisdiction
over ways and means and capital investment, with recommendations for sustainable,
reliable, predictable funding for preservation of capital assets owned by agencies.

Subd. 2. Funding options and approaches. The report shall assess the feasibility of
implementing the following options and may include evaluation of other feasible options:

(1) establishing a standing appropriation from the general fund to pay a portion of
certified asset preservation needs;

(2) establishing a standing appropriation from the bond proceeds fund, and
authorizing the sale of general obligation bonds, to pay a portion of certified asset
preservation needs;

(3) dedicating a specified portion of fees collected by agencies to use for asset
preservation; and

(4) shifting asset preservation from the capital budget to the operating budget so that
asset preservation is built into the base budget.

Evaluations should include a comparison to current law and practice.

Subd. 3. Real property portfolio management system. The commissioner
of administration shall provide assistance, as requested by the legislative auditor, for
preparing the report, including providing data from the ARCHIBUS real property portfolio
management system.
Subd. 4. **Demolition.** The report shall evaluate whether the metrics and process used by each agency to recommend demolition of capital assets are comprehensive enough to reflect what is in the best interest of the state.

Subd. 5. **Definition.** "Agencies" as used in this section means all executive branch agencies, the Board of Regents of the University of Minnesota, and the Board of Trustees of Minnesota State Colleges and Universities.

Sec. 24. **VETERANS HOMES; MONTEVIDEO AND BEMIDJI.**

The fiscal year 2018 and fiscal year 2019 general fund base appropriation for veterans homes is increased by $10,000,000 each fiscal year. This increase is for the operating costs of 143 skilled nursing beds added after July 1, 2016, in one or more veteran homes, including Montevideo and Bemidji. None of this increased amount may be used for operating costs at a veterans home in Minneapolis.

Sec. 25. **APPROPRIATION; WATER SUPPLY SUSTAINABILITY STUDY.**

(a) $1,780,000 is appropriated in fiscal year 2017 from the general fund to the commissioner of natural resources.

(b) Of this amount:

(1) $1,500,000 is for a study to evaluate long-term water supply sustainability in the north and east metro, identify options to address any challenges identified to the north and east metro's long-term water supply sustainability, and assess the feasibility and costs of those options. The study must consider available information concerning interactions between the region's surface water and groundwater systems, including White Bear Lake. The commissioner must conduct this study in consultation and coordination with affected communities, the Metropolitan Council and other state and regional agencies, water utilities, watershed districts, counties, industrial water permit holders, and other entities with a demonstrated interest in the water supply challenges facing the north and east metro. The commissioner must complete a report summarizing study findings regarding long-term water supply sustainability challenges in the north and east metro and the feasibility of various options for addressing those challenges. Efficient water use and water reuse options must be included in the report. The commissioner's report must consider sufficient detail regarding preliminary design considerations, including supply source, treatment, distribution, operation, and financing, of all feasible options evaluated. The report must be provided no later than January 15, 2018, to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean...
water fund. No detailed design may be undertaken by the commissioner without legislative
approval. A copy of the draft report will be provided to all affected local agencies for
review and comment prior to finalization and presentation by the commissioner to the
legislature. The appropriation in this clause is available until June 30, 2018; and

(2) $280,000 is for water quality monitoring, modeling, and data analysis to
 establish baseline water quality conditions and to assess the water quality impacts and
 other potential ecological effects of augmenting White Bear Lake with water from Vadnais
 Lake on both White Bear Lake and Vadnais Lake. The appropriation in this clause
 is available until June 30, 2018.

Sec. 26. REPEALER.

Minnesota Statutes 2014, section 123A.446, is repealed.

Sec. 27. EFFECTIVE DATE.

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