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
16A.86, subdivision 3a; 85.34, subdivision 1; 115A.51; 116J.431, subdivisions
1, 2, 4, 6; 174.50, subdivision 7; 446A.072; 446A.073, as amended; 446A.081,
subdivision 9; 446A.12, subdivision 1; Minnesota Statutes 2015 Supplement,
sections 16A.967, subdivisions 2, 7; 85.015, subdivision 6; Laws 2002, chapter
393, section 22, subdivision 6, as amended; Laws 2010, chapter 189, section 7,
subdivision 5; Laws 2012, chapter 293, sections 7, subdivision 3; 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; 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
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.

### APPROPRIATIONS

#### Sec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. **Total Appropriation**

$65,764,000

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**

$38,597,000

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

Subd. 3. **Chemical Sciences and Advanced Materials Science Building**

$27,167,000

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

Subd. 4. **University Share**

Except for the appropriation for HEAPR, 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. 5. **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 $ 73,321,000

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) 36,098,000

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

Subd. 3. Minnesota State Community and Technical College

(a) Fergus Falls campus 978,000

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. 4. **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. 5. **Riverland Community College, Albert Lea**

To design, construct, furnish, and equip the
renovation and expansion of the Trade and
Industrial Education Center on the Albert Lea
campus of Riverland Community College.

Subd. 6. **South Central College, North Mankato**

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

Subd. 7. **St. Cloud State University**

To construct, renovate, furnish, and
equip Eastman Hall for the relocation of
consolidated student health services and
academic programs.

Subd. 8. **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. 9. 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 8 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 $ 16,070,000

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. Red Lake Independent School District
No. 38 Facility Projects

(a) 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.

This appropriation is for the following
projects at the Red Lake Elementary School
and early childhood center: constructing,
furnishing, and equipping new classrooms
connecting the early childhood center and the
elementary school; renovating classrooms,
computer labs, cafeteria expansion, and
student support areas; updating mechanical
systems; and relocating the main entrance
and administrative office.

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

Sec. 5. MINNESOTA STATE ACADEMIES

Subdivision 1. Total Appropriation

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

Subd. 2. Asset Preservation

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 Security Corridor $50,000

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

Sec. 6. NATURAL RESOURCES

Subdivision 1. Total Appropriation $33,990,000

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

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

Subd. 2. Natural Resources Asset Preservation $12,000,000

For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946: (1) the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation; and (2) this appropriation may be used for projects to
remove life safety hazards such as building code violations or structural defects.

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

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

(b) Levee projects, to the extent practical, shall meet the state standard of three feet above the 100-year flood elevation.

(c) Project priorities shall be determined by the commissioner as appropriate and based on need.

(d) This appropriation includes $750,000 for the city of Browns Valley project and $1,800,000 for the city of Ortonville project.

(e) 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.

(f) 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.

Subd. 4. **Dam Renovation, Repair, Removal** 9,000,000

(a) To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under
Minnesota Statutes, sections 103G.51 and 103G.515. Of this appropriation:

$500,000 is for emergencies on state-owned dams;

$3,600,000 is for a grant to the city of Lanesboro for repair of the Lanesboro dam and notwithstanding the match requirements in Minnesota Statutes, section 103G.51, does not require a nonstate contribution.

This includes funding for repairs of the hydropower system;

$2,500,000 is for repairs of the Lake Bronson dam;

$500,000 is for a grant to the city of Pelican Rapids for engineering work for the Pelican Rapids dam;

$200,000 is for a grant to the city of Norway Lake for engineering work on the Norway Lake dam;

$200,000 is for a grant to Yellow Medicine County for the Canby R-6 impoundment dam;

$100,000 is for a grant to St. Louis County for the Little Stone Lake dam; and

$1,400,000 is for state dams at Brawner, Collinwood, Grindstone River, and Sullivan.

If the commissioner determines that a project is not ready to proceed, this appropriation may be used for other projects on the commissioner's priority list.

Subd. 5. **Trail Development**

$2,590,000 is for the Glacial Lakes Trail, to complete an approximately six and one-quarter mile trail connection between...
New London and Sibley State Park, and
repair of the bicycle trail in Sibley State Park.

$3,600,000 is for acquisition and
development in the Cuyuna Country State
Recreation Area, including the Cuyuna
Mountain Bike System.

Subd. 6. Champlin Mill Pond

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.

Subd. 7. 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. 7. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation $ 20,505,000

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

Subd. 2. St. Louis River Cleanup 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. 3. Redwood-Cottonwood Rivers Joint Powers - Lake Redwood Reclamation and Enhancement Project $7,800,000

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, to remove approximately 650,000 cubic yards of sediment and increase its depth from approximately 2.8 feet to approximately 20 feet in order to secure renewable energy capacity of the hydroelectric dam which is impeded by lack of water capacity, reduce the flow of pollutants to the Minnesota River, and increase fish habitat and enhance recreational opportunities.

Sec. 8. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. Total Appropriation $7,000,000

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

Subd. 2. Reinvest in Minnesota (RIM) Reserve Program 6,000,000

(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
13.1 Statutes, section 103F.515, apply to this program.

13.3 (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.

13.8 (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.

13.15 Subd. 3. Local Government Roads Wetland Replacement Program

13.17 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. 9. **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
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. 10. **MINNESOTA ZOOLOGICAL GARDEN**

Subdivision 1. **Total Appropriation** $4,000,000
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. Notwithstanding the specified uses of money under Minnesota Statutes, section 16B.307, the board may use this appropriation to replace buildings that are poor in condition, outdated, and no longer support the work of the Minnesota Zoo and to construct and renovate trails and roads on the Minnesota Zoo site.

Sec. 11. ADMINISTRATION

Subdivision 1. Total Appropriation $ 9,850,000

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

Subd. 2. Centennial Parking Ramp 7,000,000

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.

Subd. 3. Capital Asset Preservation and Replacement Account 2,500,000

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

Subd. 4. Capitol Complex Monuments and Memorials 350,000
To design and complete critical repairs to the Peace Officers and Roy Wilkins memorials located on the Capitol complex.

Sec. 12. **MN.IT** $1,432,000

To the commissioner of administration to redesign, 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. 13. **MILITARY AFFAIRS** $2,500,000

To the adjutant general 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.

Sec. 14. **PUBLIC SAFETY** $3,521,000

To the commissioner of administration 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.

Sec. 15. **TRANSPORTATION**

Subdivision 1. **Total Appropriation** $334,782,000

To the commissioner of transportation for the purposes specified in this section.
Subd. 2. **Local Bridge Replacement and Rehabilitation**

From the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50.

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 money for a grant to the city of Baxter for acquisition of land or interests in land, environmental analysis and environmental cleanup, predesign, design, engineering, and construction of improvements to Cypress Drive, including expansion to a four-lane divided urban roadway, between Excelsior Road and College Road.

(c) Of this amount, $1,000,000 is for a grant to the town of Appleton in Swift County for upgrades to an existing township road to provide for a paved, ten-ton capacity township road extending between marked Trunk Highways 7 and 119.
(d) Of this amount, $25,000,000 is 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.

(e) Of this amount, $20,500,000 is 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.

(f) Of this amount, $700,000 is for a grant to Redwood County for paving Nobles Avenue as the main access road to a new State Veterans Cemetery to be located in Paxton Township.

Subd. 4. **Rail Grade Separations**  
$26,749,000

(a) $14,762,000 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.

(b) $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.
19.1 Highway 78, known as Hanson Boulevard, in Coon Rapids.

19.3 **Subd. 5. Railroad Warning Devices**

1,000,000

19.4 To design, construct, and equip new rail grade crossing warning safety devices at active highway-rail grade crossings, or to replace active highway-rail grade warning safety devices that have reached the end of their useful life.

19.10 **Subd. 6. Minnesota Valley Regional Rail Authority**

4,000,000

19.12 For a grant to the Minnesota Valley Regional Rail Authority for the rehabilitation of a portion of the railroad track between Winthrop and 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.

19.34 **Subd. 7. Hennepin County - U.S. Highway 12**

15,000,000
20.1 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:

20.7 (1) realignment at the intersections with Hennepin County State-Aid Highway 92;
20.9 (2) realignment and safety improvements at the intersection with Hennepin County State-Aid Highway 90; and
20.12 (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. 8. **Chaska - Trunk Highway 212 Interchange**

20.18 8,000,000

20.19 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.

Subd. 9. **Anoka County - I35 Interchange in Columbus**

20.28 13,000,000

20.29 From the bond proceeds account in the trunk highway fund for a grant to Anoka County to: (1) complete the design, land acquisition, engineering, and construction of an interchange at the intersection of marked Interstate Highway 35, marked Trunk Highway 97, and County State-Aid Highway
21.1 23, and (2) realign and make associated improvements to County State-Aid Highway 54, known as West Freeway Drive, in the city of Columbus.

21.5 Subdivision 10. I-94/Brockton Lane Interchange

From the bond proceeds account in the trunk highway fund for the I-94/Brockton Lane Interchange Project to construct an interchange and auxiliary lanes on marked Interstate Highway 94 east of the Hennepin County State-Aid Highway 101 (Brockton Lane) overpass in the city of Dayton.


From the trunk highway fund in fiscal year 2017 for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget shall transfer the deficiency amount under the statutory open appropriation, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Committee on Finance and the house of representatives Committee on Ways and Means of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

21.31 Subd. 12. Red Wing - Highway 61 Reconstruction

From the trunk highway fund in fiscal year 2017 for State Project No. 2514-122, consisting of engineering and reconstruction of the segment of marked U.S. Highway
22.1 61 in Red Wing from westerly of Old West
22.2 Main Street to easterly of Potter Street and
22.3 is for trunk highway costs in excess of the
22.4 engineer's estimate and associated program
22.5 delivery.

22.6 Subd. 13. **Port Development Assistance**  
5,000,000

22.7 For grants under Minnesota Statutes, chapter
22.8 457A. Any improvements made with the
22.9 proceeds of these grants must be publicly
22.10 owned.

22.11 Sec. 16. **METROPOLITAN COUNCIL**

22.12 Subdivision 1. **Total Appropriation**  
$23,350,000

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

22.15 Subd. 2. **Metro Orange Line BRT**  
12,100,000

22.16 Up to $12,100,000, but an amount that is no
22.17 more than ten percent of the total project
22.18 cost, is for the Metropolitan Council, or for
22.19 the Metropolitan Council to make grants to
22.20 political subdivisions, to construct capital
22.21 improvements along the I-35W corridor for
22.22 completion of the Metro Orange Bus Rapid
22.23 Transit (BRT) Line.

22.24 The Metro Orange BRT Line must not follow
22.25 a route that requires an underpass or tunnel
22.26 to be built under I-494 at Knox Avenue, but
22.27 must follow the Penn Avenue route after
22.28 coming down into the circle on the bottom of
22.29 Knox Avenue on the north side of I-494.

22.30 Subd. 3. **Mall of America Station**  
8,750,000

22.31 For design and construction of improvements
22.32 to the Mall of America Station on the
22.33 Hiawatha Corridor light rail transit line.
subject to Minnesota Statutes, section 16A.695. The Metropolitan Council must consult with the city of Bloomington throughout the design and construction process.

Subd. 4. **Metropolitan Cities Inflow and Infiltration Grants**

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.

Sec. 17. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation**

$ 70,071,000

To the commissioner of administration, or another named agency, for the purposes specified in this section.
Subd. 2. 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 does not include construction of a new 48-bed transitional housing unit. 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. 3. Child and Adolescent Behavioral Health Services

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 to 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.

Subd. 4. Anoka Metro Regional Treatment
Center Safety and Security Renovations 2,250,000
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. 5. Regional Medical Examiner's Facility 2,680,000
For a grant to Hennepin County to design an
approximately 67,000 square foot regional,
state-of-the-art medical examiner's facility.
The facility shall: (1) provide forensic
death investigation and autopsy services
for Dakota, Hennepin, and Scott Counties
with the flexibility to accommodate future
partner counties and agencies; (2) serve as a
teaching facility for the state, on the science
of forensic pathology; and (3) be located in
the city of Bloomington as a site that best
supports access needs for the three founding
counties and reasonable scene response times
for the geographic service area.

Sec. 18. VETERANS AFFAIRS $ 4,000,000
To the commissioner of administration
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.

Sec. 19. CORRECTIONS
Subdivision 1. Total Appropriation $ 28,900,000
To the commissioner of administration for
the purposes specified in this section.
Subd. 2. Asset Preservation 8,000,000
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. Minnesota Correctional Facility - St.
Cloud 19,000,000
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.
27.1 Subd. 4. Minnesota Correctional Facility -
Moose Lake

1,900,000

27.3 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.

27.10 Subd. 5. 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.

27.20 Sec. 20. EMPLOYMENT AND ECONOMIC
DEVELOPMENT

27.22 Subdivision 1. Total Appropriation
$ 58,541,000

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

27.26 Subd. 2. Transportation Economic
Development

6,000,000

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

27.30 Subd. 3. Greater Minnesota Business
Development Public Infrastructure Grants

10,000,000

27.32 For grants under Minnesota Statutes, section
116J.431.
Subd. 4. **Innovative Business Development Grants**

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

Subd. 5. **Duluth - Steam Plant**

For a grant to the city of Duluth to complete the design of and to renovate, construct, furnish, and equip an upgrade to the municipal district heating facility and systems, including conversion of the distribution system along Superior Street from steam, with no condensate return, to closed-loop hot water, 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. 6. **Litchfield - Phase 2 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. 7. **Madelia**

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 contribution.

Subd. 8. **St. James - Public Infrastructure**  
3,443,000

For a grant to the city of St. James. Of this amount, $2,193,000 is for engineering, right-of-way acquisition, and reconstruction of streets, sidewalks, storm water and sanitary sewer, water mains, lighting, utilities, and other capital improvements of publicly owned infrastructure required for the reconstruction of marked Trunk Highway 4 in the city of St. James, and $1,250,000 is to replace the storm sewer drain which serves St. James Lake and the entire southern section of the City of St. James.

Subd. 9. **St. Paul - Science Museum of Minnesota Building Preservation**  
13,000,000

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.

Sec. 21. **PUBLIC FACILITIES AUTHORITY**

Subdivision 1. **Total Appropriation**  
$ 150,300,000
30.1 To the Public Facilities Authority for the
purposes specified in this section.

30.2 Subd. 2. State Match for Federal Grants 17,000,000

30.3 To match federal grants for the clean water
revolving fund under Minnesota Statutes,
section 446A.07, and the drinking water
revolving fund under Minnesota Statutes,
section 446A.081. This appropriation must
be used for qualified capital projects.

30.4 Subd. 3. Water Infrastructure Funding Program 70,000,000

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

30.6 (b) $51,500,000 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.

30.7 (c) $18,500,000 is for drinking water projects
listed on the commissioner of health's project
priority list in the fundable range under the
drinking water revolving fund program.

30.8 (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.

30.9 Subd. 4. Point Source Implementation Grants Program 46,500,000

30.10 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.

**Subd. 5. Lewis and Clark Regional Water**

**System**

This appropriation is from the general fund in

fiscal year 2017 for a grant to the Lewis and

Clark Joint Powers Board to acquire land,

design, engineer, and construct 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 acquiring and

installing a supervisory control and data

acquisition (SCADA) system. This is a

onetime appropriation and is not available

until the commissioner of management and

budget determines that at least $9,000,000

is committed to the Phase 3 of the project

from nonstate sources. This appropriation

is available until the project is completed or

abandoned, subject to Minnesota Statutes,

section 16A.642.

**Subd. 6. East Grand Forks**

For a grant to the city of 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. A nonstate match is not required.

Sec. 22. **MINNESOTA HISTORICAL SOCIETY**

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

Sec. 23. **BOND SALE EXPENSES**

Subdivision 1. **Total Appropriation**

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

Subd. 2. **Bond Proceeds Fund**

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

Subd. 3. **Trunk Highway Fund**

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. 24. **BOND SALE AUTHORIZATIONS.**

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 $624,709,000 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 bond proceeds account in the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $227,200,000 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. **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 $14,070,000 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. 4. **Trunk highway bonds.** To provide the money appropriated in subdivision 1 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 $70,070,000 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.

Sec. 25. **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.

(k) The $2,285,000 appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 3, subdivision 2, to the commissioner of public safety for disaster relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

(l) $1,380,000 of the appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 6, to the Public Facilities Authority for disaster relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

(m) $2,335,000 of the appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 9, subdivision 2, to the commissioner of natural resources for disaster relief, is canceled, and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

Sec. 26. 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 $1,239,580,000 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. 27. EFFECTIVE DATE.

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

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 2014, section 16A.86, subdivision 3a, is amended to read:

Subd. 3a. Information provided. All requests for state assistance under this section must include the following information:

(1) the name of the political subdivision that will own the capital project for which state assistance is being requested;

(2) the public purpose of the project;

(3) the extent to which the political subdivision has or expects to provide local, private, user financing, or other nonstate funding for the project;

(4) a list of the bondable activities that the project encompasses; examples of bondable activities are public improvements of a capital nature for land acquisition, predesign, design, construction, and furnishing and equipping for occupancy;

(5) whether the project will require new or additional state operating subsidies;

(6) whether the governing body of the political subdivision requesting the project has passed a resolution in support of the project and has established priorities for all projects within its jurisdiction for which bonding appropriations are requested when submitting multiple requests;

(7) if the project requires a predesign under section 16B.335, whether the predesign has been completed at the time the capital project request is submitted, and whether the political subdivision has submitted the project predesign to the commissioner of administration for review and approval; and

(8) if applicable, the information required under section 174.93, subdivision 1a; and

(b), that is requesting assistance for a solid waste management facility, certification by the commissioner of the Pollution Control Agency that the applicant has filed a report with the agency analyzing the issues addressing private ownership of solid waste management facilities identified in section 115A.51, paragraph (a), clauses (4) and (5), and that the commissioner has determined that public ownership of the proposed solid waste management facility is the best alternative. Within five days of filing the report with the agency, the applicant must submit a copy of the report to each privately owned solid waste management facility mentioned in the report.
EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 2, is amended to read:

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 to the Public Facilities Authority under subdivision 7, not to exceed $19,000,000 net of costs of issuance, for the purposes as provided under this 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 (e). The bonds authorized by this paragraph 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. Upon completion
of Phase 2, the unspent, unencumbered portion of the appropriation in this subdivision
is available for the purposes of Phase 3, which includes 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
acquiring and installing a supervisory control and data acquisition (SCADA) system.

(d) 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.

(e) At the time of, or in anticipation of, issuing the appropriation bonds, and at any
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.

(f) 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 240.15c 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.

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

Sec. 3. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 7, is
amended to read:
Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under this section and interest credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated to the commissioner:

(1) to the Public Facilities Authority for a grant to the Lewis and Clark Joint Powers Board for payment of capital expenses for the purposes provided by as specified in subdivision 2, paragraph (a); 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 (e), each as permitted by state and federal law, and such proceeds may be granted, loaned, or otherwise provided for the public purposes provided by subdivision 2, paragraph (a).

Sec. 4. Minnesota Statutes 2015 Supplement, section 85.015, subdivision 6, is amended to read:

Subd. 6. **Minnesota Valley Trail, Hennepin, Dakota, Scott, Carver, Sibley and Le Sueur Counties.** (a) The trail shall originate at Fort Snelling State Park and thence extend generally southwesterly along the Minnesota River Valley through Hennepin, Dakota, Scott, Carver, Sibley, and Le Sueur Counties to the city of Le Sueur, and there terminate. The trail shall include the following state waysides: (a) Rice Lake Wayside, in Scott County; (b) Carver Rapids Wayside, in Scott County; (c) Lawrence wayside, in Scott county; (d) Belle Plaine Wayside, in Carver, Scott, and Sibley Counties; (e) Blakeley Wayside, in Scott County; and (f) Rush River Wayside, in Sibley County.

(b) The trail shall be developed primarily for riding and hiking. Motorized vehicles are prohibited from that portion of the trail on the north side of the Minnesota River, lying between Fort Snelling State Park and Rice Lake Wayside. That portion of the trail on the north side of the Minnesota River, lying between the Bloomington Ferry Bridge pedestrian crossing and the Cedar Avenue Bridge, must be a paved trail developed primarily for hiking and bicycling.

(c) In establishing, developing, maintaining, and operating the trail the commissioner shall cooperate with local units of government and private individuals and groups whenever feasible.

Sec. 5. 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. 6. Minnesota Statutes 2014, section 115A.51, is amended to read:

115A.51 APPLICATION REQUIREMENTS.

(a) Applications for assistance under the program shall must demonstrate:
   (1) that the project is conceptually and technically feasible;
   (2) that affected political subdivisions are committed to implement the project, to provide necessary local financing, and to accept and exercise the government powers necessary to the project;
   (3) that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources, together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;
   (4) that the applicant has evaluated the feasible and prudent alternatives to disposal, including the use of existing privately owned solid waste management facilities with available capacity sufficient to accomplish, in whole or in part, the goals of the proposed project, and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators; and
   (5) that the applicant has identified waste management objectives in applicable county and regional waste solid management plans that can be achieved only through
public ownership of the proposed solid waste management facility and has adequately
balanced achievement of the objectives against the requirement of the plans to encourage
and protect private ownership of solid waste management facilities.
(b) The commissioner may require completion of a comprehensive solid waste
management plan conforming to the requirements of section 115A.46, before accepting
an application. Within five days of filing an application with the agency, the applicant
must submit a copy of the application to each privately owned solid waste management
facility mentioned in the portion of the application addressing the requirements of
paragraph (a), clause (5).

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

Sec. 7. Minnesota Statutes 2014, section 116J.431, subdivision 1, is amended to read:

Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall
make grants to counties or cities to provide up to 50 percent of the capital costs of public
infrastructure necessary for an eligible economic development project. The county or city
receiving a grant must provide for the remainder of the costs of the project, either in cash
or in kind. In-kind contributions may include the value of site preparation other than the
public infrastructure needed for the project.

(b) The purpose of the grants made under this section is to keep or enhance jobs in
the area, increase the tax base, or to expand or create new economic development.

(c) In awarding grants under this section, the commissioner must adhere to the
criteria under subdivision 4.

(d) If the commissioner awards a grant for less than 50 percent of the project, the
commissioner shall provide the applicant and the chairs and ranking minority members
of the senate and house of representatives committees with jurisdiction over economic
development finance a written explanation of the reason less than 50 percent of the capital
costs were awarded in the grant.

Sec. 8. Minnesota Statutes 2014, section 116J.431, subdivision 2, is amended to read:

Subd. 2. **Eligible projects.** An economic development project for which a county or
city may be eligible to receive a grant under this section includes:

(1) manufacturing;
(2) technology;
(3) warehousing and distribution;
(4) research and development;
41.1 (5) agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products into goods that are used for intermediate or final consumption, including goods for nonfood use; or
41.2 (6) industrial park development that would be used by any other business listed in this subdivision even if no business has committed to locate in the industrial park at the time the grant application is made.

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

41.8 Sec. 9. Minnesota Statutes 2014, section 116J.431, subdivision 4, is amended to read:

41.9 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a county or city must include in its application a resolution of the county or city council certifying that the required local match is available. The commissioner must evaluate complete applications for eligible projects using the following criteria:

41.10 (1) the project is an eligible project as defined under subdivision 2;
41.11 (2) the project will be expected to result in or will attract substantial public and private capital investment and provide substantial economic benefit to the county or city in which the project would be located;
41.12 (3) the project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the project cannot be reasonably accommodated within the county or city in which the business is currently located, or the business would otherwise relocate to another state; and
41.13 (4) the project is expected to or will create or maintain retain full-time jobs.

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

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

41.16 Sec. 10. Minnesota Statutes 2014, section 116J.431, subdivision 6, is amended to read:

41.17 Subd. 6. **Maximum grant amount.** A county or city may receive no more than $4,000,000 $2,000,000 in two years for one or more projects.

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

41.19 Sec. 11. Minnesota Statutes 2014, section 174.50, subdivision 7, is amended to read:
Subd. 7. Bridge grant program; rulemaking. (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions.

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

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

(d) Political subdivisions may use grants made under this section to construct or reconstruct bridges, including but not limited to:

1. paying the costs to abandon an existing bridge that is deficient and in need of replacement where no replacement will be made; and

2. paying the costs to construct a road or street to facilitate the abandonment of an existing bridge if the commissioner determines that the bridge is deficient, and that construction of the road or street is more economical than replacement of the existing bridge.

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

(f) The maximum grant amount for a local bridge replacement or rehabilitation project under this section is $5,000,000.

Sec. 12. Minnesota Statutes 2014, section 446A.072, is amended to read:

446A.072 WASTEWATER WATER INFRASTRUCTURE FUNDING PROGRAM.

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
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;

(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 plan'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. 13. 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 $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 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;

(2) the Pollution Control Agency has approved the as-bid costs and certified the
grant eligible portion of the project; and

(3) the authority has determined that the additional financing necessary to complete
the project has been committed from other sources.

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. 14. 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

(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.

(c) (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 (e), 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. 15. 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 to $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. 16. 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

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

Article 2 Sec. 16.
51.1 infrastructure to facilitate the redevelopment
51.2 of the Fergus Falls Regional Treatment
51.3 Center campus. If the property is sold or
51.4 transferred to a local unit of government, the
51.5 unspent portion of this appropriation may be
51.6 granted to the local unit of government that
51.7 acquires the campus for the purposes stated
51.8 in this subdivision.
51.9 Notwithstanding Minnesota Statutes, section
51.10 16A.642, the bond sale authorization and
51.11 appropriation of bond proceeds in this
51.12 subdivision are available until December 31,
51.13 2016 2018.

51.14 Sec. 17. Laws 2010, chapter 189, section 7, subdivision 5, is amended to read:

51.15 Subd. 5. **Dam Renovation and Removal**

51.16 To renovate or remove publicly owned dams.
51.17 The commissioner shall determine project
51.18 priorities as appropriate under Minnesota
51.19 Statutes, sections 103G.511 and 103G.515.
51.20 This appropriation includes money for the
51.21 following projects:
51.22 (a) Byllesby Dam, Dakota and Goodhue
51.23 Counties
51.24 (b) Champlin Mill Pond Dam, Hennepin
51.25 County
51.26 (c) Clayton Lake Dam, Pine County
51.27 (d) Drayton Dam, Kittson County
51.28 (e) Hallock Dam, Kittson County
51.29 (f) Lake Bronson Dam, Kittson County
51.30 (g) Lanesboro Dam, Fillmore County
51.31 (h) Milaca Dam, Mille Lacs County
51.32 (i) Montevideo Dam, Chippewa County
52.1 (j) Pike River Dam, St. Louis County

52.2 Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of

52.3 final contracts for the completion of a project

52.4 listed in this subdivision, the commissioner

52.5 may transfer the unencumbered balance in the

52.6 project account to any other dam renovation

52.7 or removal project on the commissioner's

52.8 priority list. Notwithstanding the match

52.9 requirements in Minnesota Statutes, section

52.10 103G.511, a grant to the city of Lanesboro

52.11 does not require any nonstate match.

52.12 Sec. 18. Laws 2012, chapter 293, section 7, subdivision 3, is amended to read:

52.13 Subd. 3. Dam Repair, Reconstruction, and

52.14 Removal 3,000,000

52.15 To renovate or remove publicly owned dams.

52.16 The commissioner shall determine project

52.17 priorities as appropriate under Minnesota

52.18 Statutes, sections 103G.511 and 103G.515.

52.19 Notwithstanding the match requirements

52.20 in Minnesota Statutes, section 103G.511,

52.21 a grant to the city of Lanesboro does not

52.22 require any nonstate match.

52.23 Sec. 19. Laws 2012, chapter 293, section 17, subdivision 4, is amended to read:

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

52.25 For a grant to the Minneapolis Park and

52.26 Recreation Board to predesign, design,

52.27 engineer, reconstruct, renovate, furnish,

52.28 and equip the Phillips Community Center

52.29 indoor competitive swimming pool and to

52.30 predesign, design, engineer, and construct

52.31 an additional indoor multipurpose family

52.32 pool and facilities associated with an aquatic

52.33 Article 2 Sec. 19.
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. 20. Laws 2014, chapter 294, article 1, section 7, subdivision 15, is amended to read:

Subd. 15. Grant County Trail Grant

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

Subd. 6. Inver Grove Heights - Heritage Village Park

$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. 22. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

Subd. 12. West St. Paul - North Urban River to River Regional Trail Bridge Greenway

2,000,000

For a grant to the city of West St. Paul to redesign, design, and construct a pedestrian bridge for the North Urban Regional Trail as an overpass grade separated crossing of Robert Street in the area near Wentworth Avenue in West St. Paul for the River to River Regional Greenway. 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. 23. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, is amended to read:

Subd. 3. Local Road Improvement Fund Grants

8,910,000

(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 off 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
as part of one or more of the following
highway-rail intersections associated with
the Willmar Wye project: U.S. Highway 12,
marked Trunk Highway 40, and Kandiyohi
County State-Aid Highway 55.

Sec. 24. REPORT ON FUTURE OF GLENSHEEN.
The Board of Regents of the University of Minnesota must develop a plan for the
future of Glensheen, the historic Congdon estate in Duluth, in cooperation and consultation
with the city of Duluth, the Minnesota Historical Society, and other interested parties. The
plan must address facility ownership, a multiphased asset renewal plan, programmatic
operations, and cultural interpretation. The plan must be submitted by January 16, 2017,
to the chairs and ranking minority members of the legislative committees with jurisdiction
over higher education policy and finance, and capital investment, and as provided in
Minnesota Statutes, section 3.195.

Sec. 25. **REPEALER.**

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

Sec. 26. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final
enactment.
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123A.446 STATE BOND AUTHORIZATION.

To provide money for the cooperative secondary facilities grant program, the commissioner of management and budget, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of $14,000,000 in the manner, upon the terms and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7.