

**CHAPTER 5--H.F.No. 2**

*An act relating to capital investment; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; modifying prior appropriations; modifying programs; providing for disaster relief; providing for the sale and issuance of state bonds; providing for the sale, conveyance, and disposition of state bond-financed property; appropriating money; amending Minnesota Statutes 2014, sections 85.015, subdivision 6; 240A.09; 462A.37, subdivision 5, by adding a subdivision; Laws 2008, chapter 179, sections 7, subdivision 22; 16, subdivision 5, as amended; Laws 2009, chapter 93, article 1, section 11, subdivision 4, as amended; Laws 2010, chapter 189, section 15, subdivision 5, as amended; Laws 2012, chapter 293, section 3, subdivision 18; Laws 2013, chapter 136, section 4, as amended; Laws 2014, chapter 294, article 1, sections 15, subdivision 2; 16, subdivisions 5, 9; 18, subdivisions 3, 4; 21, subdivisions 3, 10, 12, 13, 16, 18, 23; Laws 2014, chapter 295, section 10, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 16A.*

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** **§** **26,529,000**

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

**Subd. 2. Minnesota Poultry Testing Laboratory - Willmar**8,529,000

To design, construct, furnish, and equip the expansion and renovation of the Minnesota Poultry Testing Laboratory in Willmar, including facility upgrades to substantially improve the laboratory's efficiency and ability to meet testing requirements, respond to avian influenza and other diseases of poultry, and effectively serve its client base.

**Subd. 3. St. Paul Campus Veterinary Isolation Facility Replacement**18,000,000

To demolish two obsolete veterinary isolation laboratories and predesign, design, construct, furnish, and equip a veterinary biocontainment facility on the St. Paul campus, including large and small animal holding spaces.

The appropriation in this subdivision is intended to cover approximately two-thirds of the cost of the project. The remaining costs must be paid from university sources.

**Subd. 4. 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****\$ 31,943,000**

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

**Subd. 2. Anoka Technical College****2,114,000**

To design, renovate, furnish, and equip the automotive and manufacturing technology training spaces.

**Subd. 3. Dakota County Technical College****7,733,000**

To complete design, renovate, furnish, and equip classroom and lab space for transportation and emerging technologies programs.

**Subd. 4. Minnesota West Community and Technical College; Canby and Jackson Campuses****3,267,000**

(a) To design and install a geothermal HVAC system, and remove and replace associated mechanical systems, on the Canby campus.

(b) To design and consolidate the power line training program spaces by demolishing Building "B" and the current off-campus power line training space, and construct and equip a new indoor power line training addition and exterior truck port on the Jackson main campus.

**Subd. 5. St. Paul College****18,829,000**

To complete the design of and construct, furnish, and equip the Health and Science Alliance Center addition, and to renovate, furnish, and equip existing health and West Tower spaces.

**Subd. 6. 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. 7. 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 6 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**

**\$ 23,549,000**

(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. **Flood Hazard Mitigation**

**23,549,000**

(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, based on need and consideration of available leveraging of federal, local, and state funds.

(d) \$10,000,000 of this appropriation is for a grant to Otter Tail County for publicly owned capital improvements to address flooding and high-water conditions on Little McDonald Lake, Devil's Lake, Kerbs Lake, and Paul Lake. Notwithstanding the match requirements in Minnesota Statutes, section 103F.161, subdivision 2, this appropriation does not require a local match.

(e) To the extent that the cost of a project exceeds two percent of the median household income in a mu-

nicipality 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. 3. 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. 5. POLLUTION CONTROL AGENCY**

**Subdivision 1. Total Appropriation**

**\$ 11,026,000**

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

**Subd. 2. Capital Assistance Program**

**9,276,000**

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

(b) Of this appropriation: \$600,000 is for a grant to Clay County for phase 1 of an integrated solid waste system; \$600,000 is for a grant to McLeod County for phase 1 of an integrated solid waste system; \$56,000 is for a project in Dodge County; and \$20,000 is for a project in Western Lake Superior Sanitary District.

(c) \$8,000,000 of this appropriation is for a grant to Polk County for phase 1 of a regional integrated solid waste management system. This appropriation is not available until the agency determines that an amount sufficient to complete the project is committed from nonstate sources. An additional renewable energy component shall not be mandated as a requirement of this project to qualify for funding under this section.

**Subd. 3. Superfund Drinking Water Program**

**1,750,000**

For the Superfund program under Minnesota Statutes, section 115B.17, to install a drinking water treatment system in the city of Spring Park in Hennepin County and in the city of Bayport in Washington County.

**Sec. 6. BOARD OF WATER AND SOIL  
RESOURCES****\$ 1,000,000**

To the Board of Water and Soil Resources for grants to local governments in Area II of the Minnesota River Basin to acquire, design, and construct floodwater retention systems. This appropriation is not available until the board determines that \$1 has been committed from nonstate sources for every \$3 of state grant.

**Sec. 7. AGRICULTURE****\$ 50,000**

To the commissioner of administration for replacement of the windows in the East Grand Forks potato inspection facility.

**Sec. 8. ADMINISTRATION****Subdivision 1. Total Appropriation****\$ 32,924,000**

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

**Subd. 2. Capitol Restoration****26,724,000**

(a) To complete the design of, and to construct, repair, improve, renovate, restore, furnish, and equip the expanded restoration elements of the State Capitol Building and grounds, and any associated asbestos and hazardous materials abatement, including but not limited to: (1) water infiltration, settlement, and deterioration on the plaza, terrace, and stairs; (2) visitor access and bus loading and unloading; (3) decorative painting; (4) cove molding; (5) accessibility, safety, and security for the South Loggia; (6) landscaping on Lot O; and (7) modifications to Aurora Avenue.

(b) \$2,000,000 may be used to design, construct, repair, improve, renovate, restore, furnish, and equip other items as needed to meet the guiding principles established by the Capitol Preservation Commission of architectural integrity, functionality, and life-safety. The commissioner of administration must submit designs and plans for the use of this appropriation to the Capitol Preservation Commission and, other than for design work, the appropriation in this paragraph is not available until the commission approves these plans.

**Subd. 3. Contingency for Capitol Site Security****Enhancements**6,200,000

To complete the design of, and to construct, repair, furnish, and equip, including associated asbestos and hazardous materials abatement, if any, physical security improvements for the Capitol grounds bordered by Aurora Avenue to the South, University Avenue to the North, Cedar Street to the East, and the Rev. Dr. Martin Luther King Jr. Boulevard to the West. The commissioner of administration must submit site security design elements to the Capitol Preservation Commission and may not proceed with those elements until the commission approves site security design elements.

**Sec. 9. MINNESOTA AMATEUR SPORTS COMMISSION****\$ 2,000,000**

From the general fund, to the Minnesota Amateur Sports Commission for the purposes of making grants under Minnesota Statutes, section 240A.09, paragraph (b).

**Sec. 10. TRANSPORTATION****Subdivision 1. Total Appropriation****\$ 172,480,000**

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

**Subd. 2. Local Bridge Replacement and Rehabilitation**7,410,000

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**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 Lunderff 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 the Willmar Wye project.

**Subd. 4. Minnesota Valley Regional Railroad Authority**

1,000,000

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; and Laws 2010, chapter 189, section 15, subdivision 5.

**Subd. 5. Plymouth - Highway-Rail Grade Separations**

4,700,000

For a grant to the city of Plymouth, to construct a highway-rail grade separation of the Canadian Pacific railroad crossing and Vicksburg Lane, associated retaining wall, and grading of the embankments, all in the city of Plymouth. 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. Koochiching County - Highway-Rail Grade Separation**

460,000

For a grant to Koochiching County to acquire land, predesign, design, construct, and equip a road between marked Trunk Highway 11 and marked County State-Aid Highway 20 as an alternate route around the Canadian National Railroad tracks grade crossing at marked County State-Aid Highway 20.

**Subd. 7. Richfield - 77th Street Underpass**

10,000,000

For a grant to the city of Richfield for right-of-way acquisition and construction of an extension of 77th Street under marked Trunk Highway 77/ Cedar Avenue in the city of Richfield to provide local and regional access between Richfield, the Minneapolis/St. Paul International Airport, the city of Bloomington, and the Mall of America.

**Subd. 8. Trunk Highway Projects**

140,000,000

From the bond proceeds account in the trunk highway fund for trunk highway design, engineering, construction, reconstruction, and improvement, including design-build and construction manager at risk contracts and consultant usage to support these activities.

**Sec. 11. METROPOLITAN COUNCIL**

\$ 1,500,000

To the Metropolitan Council for grants to municipalities 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 municipality 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 municipalities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Sec. 12. **VETERANS AFFAIRS**

**\$ 650,000**

(a) To the commissioner of administration for predesign and design, including environmental assessment, for the rehabilitation of the bridge located over Minnehaha Creek linking South Minnehaha Drive and the Minneapolis Veterans Home.

(b) The commissioner of transportation may provide technical services to assist the Department of Administration and the Department of Veterans Affairs in overseeing the project.

Sec. 13. **CORRECTIONS**

**\$ 1,200,000**

To the commissioner of administration for a grant to the Arrowhead Regional Corrections Joint Powers Board to demolish an existing facility and to design, construct, furnish, and equip a replacement food processing facility on the campus of the Northeast Regional Corrections Center, to meet health, safety, and security standards required for compliance with Minnesota Rules, chapter 2911. Nonstate contributions to improvements at the center made before or after the enactment of this subdivision are considered to be a sufficient match, and no further nonstate match is required.

Sec. 14. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

**Subdivision 1. Total Appropriation**

**\$ 3,300,000**

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

**Subd. 2. Greater Minnesota Business Development Infrastructure Grant Program**

**1,000,000**

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

**Subd. 3. Transportation Economic Development** 2,000,000

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

**Subd. 4. Eagle's Healing Nest** 300,000

From the general fund to the city of Sauk Centre for a grant to Eagle's Healing Nest to replace the roof at its facility that serves veterans, service members, and their families in Sauk Centre.

**Sec. 15. PUBLIC FACILITIES AUTHORITY** **\$** 10,000,000

To the Public Facilities Authority for grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

**Sec. 16. MINNESOTA HISTORICAL SOCIETY** **\$** 500,000

To the Minnesota Historical Society to predesign a facility to support visitor services and history programs at Historic Fort Snelling.

**Sec. 17. BOND SALE EXPENSES****Subdivision 1. Total Appropriation** **\$** 320,000

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

**Subd. 2. Bond Proceeds Fund** 180,000

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

**Subd. 3. Trunk Highway Fund** 140,000

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

**Sec. 18. BOND SALE.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this article from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an

amount up to \$160,211,000 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 article from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$16,320,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

**Subd. 3. Trunk highway fund.** To provide the money appropriated in this article 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 \$140,140,000 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. 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 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. 20. **CANCELLATION; BOND SALE AUTHORIZATION REDUCTION.**

The unobligated amount remaining from the appropriation in Laws 2014, chapter 294, article 1, section 4, subdivision 3, paragraph (d), is canceled. The bond sale authorization in Laws 2014, chapter 294, article 1, section 26, subdivision 1, is reduced by the same amount.

#### Sec. 21. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

## ARTICLE 2

### DISASTER RELIEF

#### Section 1. **DISASTER RELIEF APPROPRIATIONS.**

**Subdivision 1. Appropriations.** The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund to be spent to acquire and to better publicly owned land and buildings and other public improvements of a capital nature, and from other named funds, for relief as specified in

this article from the storms and flooding that occurred on or after June 11, 2014, in the area in Minnesota designated under Presidential Declaration of a Major Disaster FEMA-4182-DR, whether included in the original declarations or added later by federal government action, referred to in this article as "the area included in DR-4182." Unless otherwise specified, money appropriated in this article 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 from the general fund in this article are for fiscal year 2016 and are available the day following final enactment through June 30, 2018. Appropriations of bond proceeds for capital improvements are available the day following final enactment and until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642. The appropriations in this article are onetime.

Subd. 2. **Transfers.** Money appropriated from the general fund under this article may be transferred as provided in Minnesota Statutes, section 12A.03, subdivision 5.

## APPROPRIATIONS

### Sec. 2. **NATURAL RESOURCES**

#### Subdivision 1. **Total Appropriation**

\$ 5,155,000

To the commissioner of natural resources for the purposes specified in Minnesota Statutes, section 12A.12. The amounts that may be spent for each purpose are specified in the following subdivisions.

#### Subd. 2. **Facility and Natural Resource Damage**

2,140,000

From the bond proceeds fund for the purposes specified in Minnesota Statutes, section 12A.12, subdivision 1.

#### Subd. 3. **Flood Hazard Mitigation Grants**

3,015,000

For the purposes specified in Minnesota Statutes, section 12A.12, subdivision 2. Funds are also available for the local share of flood mitigation projects. This appropriation includes funds for a grant to the Prior Lake-Spring Lake Watershed District for restoration of the Prior Lake outlet channel. Of this amount, \$2,515,000 is from the bond proceeds fund and \$500,000 is from the general fund.

### Sec. 3. **BOARD OF WATER AND SOIL RESOURCES**

#### Subdivision 1. **Total Appropriation**

\$ 15,300,000

To the Board of Water and Soil Resources for the purposes specified in Minnesota Statutes, section

12A.05. The amounts that may be spent for each purpose are specified in the following subdivisions.

**Subd. 2. Reinvest in Minnesota (RIM) Conservation Easements**

4,700,000

From the bond proceeds fund for the purposes specified in Minnesota Statutes, section 12A.05, subdivision 1, in the area included in DR-4182. The duration of the easements shall be perpetual.

**Subd. 3. Erosion, Sediment, and Water Quality Control Cost-Share Program**

10,600,000

From the general fund for the purposes specified in Minnesota Statutes, section 12A.05, subdivision 2, in the area included in DR-4182. Priority use of these funds shall be to supplement or match federal funds whenever possible and practical.

**Sec. 4. TRANSPORTATION; LOCAL ROAD AND BRIDGE RECONSTRUCTION**

\$ 800,000

From the bond proceeds account in the state transportation fund for grants under Minnesota Statutes, sections 12A.16, subdivision 3, and 174.50, to local governments in the area included in DR-4182.

**Sec. 5. MINNESOTA HISTORICAL SOCIETY**

\$ 100,000

To the Minnesota Historical Society for a grant to the city of Jordan for an assessment of the damage and repair of historic structures or other historic resources under Minnesota Statutes, section 12A.11. This appropriation is from the general fund.

**Sec. 6. EMPLOYMENT AND ECONOMIC DEVELOPMENT**

**Subdivision 1. Total Appropriation**

\$ 4,100,000

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

**Subd. 2. Children's Museum**

100,000

Notwithstanding Minnesota Statutes, section 12A.03, subdivision 3, for a grant from the general fund to the

Children's Museum of Southern Minnesota for flood loss incurred by the museum.

**Subd. 3. Steele County - Public Works Building** 4,000,000

Notwithstanding section 1 and Minnesota Statutes, section 12A.03, subdivision 3, for a grant to Steele County to design, construct, furnish, and equip a public works building in Owatonna.

**Sec. 7. BOND SALE EXPENSES** \$ 11,000

From the bond proceeds fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

**Sec. 8. BOND SALE AUTHORIZATIONS.**

Subdivision 1. Bond proceeds fund. To provide the money appropriated in this article from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$13,366,000 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 article from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$800,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

**Sec. 9. EFFECTIVE DATE.**

This article is effective the day following final enactment.

**ARTICLE 3**

**MISCELLANEOUS**

**Section 1. [16A.967] LEWIS AND CLARK APPROPRIATION BONDS.**

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

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

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

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



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

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

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

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

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

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

(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.

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

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

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

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

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

**Subd. 4. Refunding bonds.** The commissioner may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding appropriation bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the appropriation bonds to be refunded or interest or premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the general fund or, if applicable, the special appropriation Lewis and Clark bond proceeds fund for use in any lawful manner. All refunding bonds issued under this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the appropriation bonds to be refunded.

**Subd. 5. Appropriation bonds as legal investments.** Any of the following entities may legally invest any sinking funds, money, or other funds belonging to them or under their control in any appropriation bonds issued under this section:

(1) the state, the investment board, public officers, municipal corporations, political subdivisions, and public bodies;

(2) banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; and

(3) personal representatives, guardians, trustees, and other fiduciaries.

Subd. 6. **No full faith and credit; state not required to make appropriations.** The appropriation bonds are not public debt of the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the appropriation bonds or to any payment that the state agrees to make under this section. Appropriation bonds shall not be obligations paid directly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege. Appropriation bonds shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate money sufficient to make debt service payments with respect to the appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the legislature shall not have appropriated amounts sufficient for debt service, or (2) the date of final payment of the principal of and interest on the appropriation bonds.

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and interest credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated to the commissioner for payment of capital expenses for the purposes provided by subdivision 2, paragraph (a), 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).

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

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

Sec. 2. Minnesota Statutes 2014, 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. 3. Minnesota Statutes 2014, section 240A.09, is amended to read:

**240A.09 PLAN DEVELOPMENT; CRITERIA.**

The Minnesota Amateur Sports Commission shall develop a plan to promote the development of proposals for new statewide public ice facilities including proposals for ice centers and matching grants based on the criteria in this section.

(a) For ice center proposals, the commission will give priority to proposals that come from more than one local government unit. Institutions of higher education are not eligible to receive a grant.

(b) The commission must give priority to grant applications for indoor air quality improvements and projects that eliminate R-22. For purposes of this section:

(1) "indoor air quality improvements" means: (i) renovation or replacement of heating, ventilating, and air conditioning systems in existing indoor ice arenas whose ice resurfacing and ice edging equipment are not powered by electricity in order to reduce concentrations of carbon monoxide and nitrogen dioxide; and (ii) acquisition of zero-emission ice resurfacing and ice edging equipment. The new or renovated systems may include continuous electronic air monitoring devices to automatically activate the ventilation systems when the concentration of carbon monoxide or nitrogen dioxide reaches a predetermined level; and

(2) "projects that eliminate R-22," means replacement of ice-making systems in existing public facilities that use R-22 as a refrigerant, with systems that use alternative non-ozone-depleting refrigerants.

(c) In the metropolitan area as defined in section 473.121, subdivision 2, the commission is encouraged to give priority to the following proposals:

(1) proposals for construction of two or more ice sheets in a single new facility;

(2) proposals for construction of an additional sheet of ice at an existing ice center;

(3) proposals for construction of a new, single sheet of ice as part of a sports complex with multiple sports facilities; and

(4) proposals for construction of a new, single sheet of ice that will be expanded to a two-sheet facility in the future.

(d) The commission shall administer a site selection process for the ice centers. The commission shall invite proposals from cities or counties or consortia of cities. A proposal for an ice center must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(e) Proposals for ice centers and matching grants must provide for meeting the demand for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m. to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

(f) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway.

(g) To the extent possible, all proposed facilities must be dispersed equitably, must be located to maximize potential for full utilization and profitable operation, and must accommodate noncompetitive family and community skating for all ages.

(h) The commission may also use the money to upgrade current facilities, purchase girls' ice time, or conduct amateur women's hockey and other ice sport tournaments.

(i) To the extent possible, 50 percent of all grants must be awarded to communities in greater Minnesota.

(j) To the extent possible, technical assistance shall be provided to Minnesota communities by the commission on ice arena planning, design, and operation, including the marketing of ice time and on projects described in paragraph (b).

(k) A grant for new facilities may not exceed \$250,000.

(l) The commission may make grants for rehabilitation and renovation. A rehabilitation or renovation grant for air quality may not exceed \$200,000 and a rehabilitation or renovation grant for R-22 elimination may not exceed \$50,000 for indirect cooling systems and may not exceed \$400,000 for direct cooling systems. Priority must be given to grant applications for indoor air quality improvements, including zero emission ice resurfacing equipment, and for projects that eliminate R-22.

(m) Grant money may be used for ice centers designed for sports other than hockey.

(n) Grant money may be used to upgrade existing facilities to comply with the bleacher safety requirements of section 326B.112.

Sec. 4. Minnesota Statutes 2014, section 462A.37, is amended by adding a subdivision to read:

Subd. 2b. **Additional authorization.** In addition to the amount authorized in subdivisions 2 and 2a, the agency may issue up to \$10,000,000 of housing infrastructure bonds in one or more series to which the payments made under this section may be pledged.

Sec. 5. Minnesota Statutes 2014, section 462A.37, subdivision 5, is amended to read:

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

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified

under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

~~(e)~~ (d) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 6. Laws 2008, chapter 179, section 7, subdivision 22, is amended to read:

**Subd. 22. State Park and Recreation Area Acquisition,  
Rehabilitation, and Development**

19,041,000

(a) For projects within state parks established under Minnesota Statutes, section 85.012, and state recreation areas established under Minnesota Statutes, section 85.013, contained in the Department of Natural Resources, Division of Parks and Recreation's ten-year project list for "New and Deferred Maintenance Bondable Projects" dated March 20, 2008. This appropriation includes money for new projects at Bear Head Lake, Beaver Creek Valley, Blue Mounds, Buffalo River, Cuyuna Country State Recreation Area, Flandrau, Fort Ridgely, Frontenac, Glendalough, Itasca, Lake Bemidji, Lake Carlos, Maplewood, Sibley, Soudan Mine, Split Rock Lighthouse, Temperance River, Tettegouche, and William O'Brien State Parks. The commissioner shall determine project priorities as appropriate, based on need.

(b) For infrastructure rehabilitation and the renovation and development of facilities within state parks established under Minnesota Statutes, section 85.012, contained in the Department of Natural Resources, Division of Parks and Recreation's ten-year project list for "New and Deferred Maintenance Bondable Projects" dated March 20, 2008. This appropriation includes money for Interstate, Itasca, Jay Cooke, Lake Louise, Lake Shetek, Maplewood, Split Rock Lighthouse, St. Croix, and Tettegouche. The commissioner shall determine project priorities as appropriate, based on need.

\$2,400,000 is to acquire from willing sellers land within the boundaries of Greenleaf Lake State Recreation Area, established under Minnesota Statutes, section 85.013, subdivision 11b.

\$200,000 is to develop campgrounds at Red River State Recreation Area.

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

Sec. 7. Laws 2008, chapter 179, section 16, subdivision 5, as amended by Laws 2014, chapter 294, article 2, section 10, is amended to read:

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

3,000,000

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate a portion of railroad track from Norwood-Young America to Hanley Falls. The grant under this subdivision may also be used for predesign, design, engineering, and rehabilitation or replacement of bridges with new bridges or culverts between Norwood-Young America and Hanley Falls. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization for this project and appropriation of bond proceeds in this subdivision are available until December 31, ~~2015~~ 2017. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Sec. 8. Laws 2009, chapter 93, article 1, section 11, subdivision 4, as amended by Laws 2014, chapter 294, article 2, section 11, is amended to read:

**Subd. 4. Minnesota Valley Railroad Track  
Rehabilitation**

4,000,000

For a grant to the Minnesota Valley Regional Railroad Authority to rehabilitate up to 95 miles of railroad track from Norwood-Young America to Hanley Falls. The grant under this subdivision may also be used for predesign, design, engineering, and rehabilitation or replacement of bridges with new bridges

or culverts between Norwood-Young America and Hanley Falls. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization for this project and appropriation of bond proceeds in this subdivision are available until December 31, ~~2015~~ 2017. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Sec. 9. Laws 2010, chapter 189, section 15, subdivision 5, as amended by Laws 2014, chapter 294, article 2, section 12, is amended to read:

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

5,000,000

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate and make capital improvements to railroad track from east of Gaylord to Winthrop. The grant under this subdivision may also be used for predesign, design, engineering, and rehabilitation or replacement of bridges with new bridges or culverts between Gaylord and Winthrop. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization for this project and appropriation of bond proceeds in this subdivision are available until December 31, ~~2015~~ 2017. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Sec. 10. Laws 2012, chapter 293, section 3, subdivision 18, is amended to read:

**Subd. 18. Southwest Minnesota State University,  
Marshall**

**Science Lab Renovation**

500,000

(a) To complete design for renovation of the Science and Math building and classroom spaces and an addition to the Plant Science building.

(b) Having abandoned the project specified in paragraph (a), the unspent portion of this appropriation is available for higher education asset



preservation and replacement on the campus of Southwest Minnesota State University, Marshall, and the debt service requirement under subdivision 20 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 11. Laws 2013, chapter 136, section 4, as amended by Laws 2014, chapter 294, article 2, section 19, is amended to read:

**Sec. 4. VETERANS AFFAIRS**

**§ 18,935,000**

(a) Of this amount, up to \$1,750,000 is to the commissioner of administration to: (1) construct a new distribution and service tunnel to serve Buildings 17 north and 18 and the future Building 17 south; and (2) construct steam and electrical connections, related infrastructure, site work, a canopy with vestibule, and required modifications to Building 18 drop-off and entry. This appropriation is not available until the commissioner of management and budget has determined that at least \$5,000,000 has been committed from federal sources. Any unused funds may be used under paragraph (b).

(b) The remainder of this amount is to the commissioner of administration to complete the design of, perform hazardous materials abatement for, and demolish the south wing of Building 17 and adjoining buildings; design, reconstruct, and furnish the new south wing of Building 17 and adjoining buildings as a new skilled nursing building; construct a new distribution and service tunnel to serve buildings 6, 19, and the future 17 south; and design, construct, and equip a network and server room, including installation of new fiber optic lines. This appropriation is not available until the commissioner of management and budget has determined that the funds to complete this work have been committed from federal sources.

(c) The unexpended balance from the appropriation in Laws 2012, chapter 293, section 19, subdivision 3, to predesign and design for demolition of the south wing of Building 17 and adjoining facilities, and designing the south wing of Building 17 as a new skilled nursing building, is added to this appropriation.

Sec. 12. Laws 2014, chapter 294, article 1, section 15, subdivision 2, is amended to read:

**Subd. 2. Cottage Grove - HERO Center**

1,460,000

For a grant to the city of Cottage Grove to predesign and design a Health and Emergency Response Occupations (HERO) Center at ~~12600 Ravine Parkway~~ in Cottage Grove. This appropriation is not available until the commissioner of management and budget determines that the city of Cottage Grove and the Board of Trustees of the Minnesota State Colleges and Universities city of Woodbury have entered into an agreement for operation and management of the center, ~~and that at least an equal amount is committed to the project from nonstate sources.~~ This appropriation does not require any contribution from nonstate sources.

Sec. 13. Laws 2014, chapter 294, article 1, section 16, subdivision 5, is amended to read:

**Subd. 5. Railroad Warning Devices**

2,000,000

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

(b) Notwithstanding any program requirements:

(1) \$1,250,000 for a grant to the city of Little Canada to replace active highway-rail grade crossing warning safety devices that have reached the end of their useful life and to design, construct, and equip highway-rail grade crossing warning devices and associated safety improvements; and

(2) \$500,000 is for a grant to the city of Shoreview to replace active highway-rail grade crossing warning safety devices that have reached the end of their useful life and to design, construct, and equip highway-rail grade crossing warning devices and associated safety improvements.

(c) Upon request, the commissioner shall provide reasonable technical assistance to the cities of Little Canada and Shoreview in grade crossing project development and establishment of quiet zones.

Sec. 14. Laws 2014, chapter 294, article 1, section 16, subdivision 9, is amended to read:

**Subd. 9. International Falls - Airport**

2,200,000

For a grant to the International Falls-Koochiching County Airport Commission to demolish a portion of the existing terminal building; site preparation, including an electrical room or building, utilities, and site civil work; design, construct, furnish, and equip Phase I of a new terminal building, jetway, and associated appurtenances of a capital nature at the Falls International Airport. 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 to serve the following purposes: ticketing, baggage, screening, boarding, jet bridge, ground transportation, and associated appurtenances of a capital nature for the traveling and nontraveling public at the Falls International Airport, but not including areas for U.S. Customs and Border Patrol and Transportation Security Administration Offices.

Sec. 15. Laws 2014, chapter 294, article 1, section 18, subdivision 3, is amended to read:

**Subd. 3. Minnesota Sex Offender Program - St. Peter**

7,405,000

To design, construct, renovate, furnish, and equip the first phase of a three-phase project to develop additional residential, program, activity, and ancillary facilities for the Minnesota sex offender program on the lower campus of the St. Peter Regional Treatment Center. This appropriation includes funds to complete design, renovate, construct, furnish, and equip the west wing of the Green Acres Building; to design, renovate, construct, furnish, and equip the east wing of the Sunrise Building; to design through construction documents the renovation and construction of the Bartlett Building Tomlinson Building, the north wing of Green Acres, and the west, south, and north wings of the Sunrise Building; and to design and perform asbestos and hazardous materials abatement in the Green Acres and Sunrise Buildings. Upon substantial completion of the first phase of this project, any unspent portion of this appropriation is available to design and to perform asbestos and hazardous materials abatement in subsequent phases.

Sec. 16. Laws 2014, chapter 294, article 1, section 18, subdivision 4, is amended to read:

Subd. 4. **YWCA Minneapolis - Early Childhood Learning and Child Protection Facilities and Other Renovations**

6,000,000

(a) To the commissioner of human services for grants under Minnesota Statutes, section 256E.37, to construct and rehabilitate early childhood learning and child protection facilities. Notwithstanding the limits on grant amounts in Minnesota Statutes, section 256E.37, one grant from this appropriation for an individual facility may be for up to \$1,000,000.

(b) Notwithstanding the limitations on grant amounts and requirements for geographic distribution in Minnesota Statutes, section 256E.37, or this subdivision, \$3,000,000 of this appropriation is for a grant to Hennepin County to predesign, design, renovate, furnish, and equip the early childhood center at the YWCA of Minneapolis, and to improve the building's heating, ventilation, and air conditioning systems, sprinkler system, and pool walls and ceiling. The grant to Hennepin County is not available until the commissioner of management and budget determines that at least an equal amount has been committed to the project from nonstate sources.

Sec. 17. Laws 2014, chapter 294, article 1, section 21, subdivision 3, is amended to read:

Subd. 3. **Alexandria - Redevelopment**

1,400,000

For a grant to the Lakes Area Economic Development Authority to ~~acquire and redevelop~~ for public infrastructure, including water, sanitary sewer, storm water infrastructure, and public road construction at the Jefferson High School site in the city of Alexandria. This appropriation is not available until the commissioner of management and budget determines that at least ~~\$2,600,000~~ \$1,400,000 is committed to the project from nonstate sources. The value of 6.7 acres of land at the site owned by the Lakes Area Economic Development Authority shall count toward the nonstate match.

Sec. 18. Laws 2014, chapter 294, article 1, section 21, subdivision 10, is amended to read:

**Subd. 10. Lake Elmo - Water Supply** 3,500,000

For a grant to the city of Lake Elmo to construct an extension of approximately 2.5 miles of trunk water main and associated improvements along ~~Lake Elmo~~ Inwood Avenue to facilitate development along the Interstate Highway 94 corridor and comply with growth requirements under an agreement with the Metropolitan Council.

Sec. 19. Laws 2014, chapter 294, article 1, section 21, subdivision 12, is amended to read:

**Subd. 12. Minneapolis - Brian Coyle Community Center** 330,000

(a) For a grant to the Minneapolis Park and Recreation Board to predesign and design the renovation and expansion of the Brian Coyle Community Center, subject to Minnesota Statutes, section 16A.695. This appropriation does not require a local match.

(b) The Minneapolis Park and Recreation Board, the Pillsbury United Communities, Hennepin County, institutions of higher education, and neighborhood organizations shall develop an agreement for the use of the existing Brian Coyle Community Center. The lease between the Minneapolis Park and Recreation Board and Pillsbury United Communities shall be reformed prior to the expenditure of any funds for predesign and design.

(c) The appropriation under this subdivision may also be used toward the renovation and expansion of the Brian Coyle Community Center.

Sec. 20. Laws 2014, chapter 294, article 1, section 21, subdivision 13, is amended to read:

**Subd. 13. Minneapolis - Hennepin Center for the Arts** 550,000

For a grant to ~~the city of Minneapolis-Hennepin~~ County for improvements and betterments of a capital nature to renovate the historic Hennepin Center for the Arts. Of this appropriation, approximately \$300,000 is for predesign and design of asset preservation improvements, and \$250,000 is to match federal funding

to replace and replicate the historic cupolas on the Historic Masonic Temple of the Hennepin Center for the Arts.

Sec. 21. Laws 2014, chapter 294, article 1, section 21, subdivision 16, is amended to read:

**Subd. 16. Red Wing - River Renaissance**

1,560,000

For a grant to the city of Red Wing for improvements of a capital nature to the area between Levee Road and the Mississippi River, extending between Bay Point Drive and Broad Street in Red Wing. This project includes: reconstruction of Levee Road from Broad Street to Jackson Street; improvements to storm water, sanitary sewer, and drinking water infrastructure; replacement of a 930 lineal feet of harbor retaining wall; parking improvements; lighting improvements; and construction of a segment of the Riverwalk Trail. This grant is not available until the commissioner of management and budget determines that an equal amount sufficient to complete the project is committed to it from nonstate sources.

Sec. 22. Laws 2014, chapter 294, article 1, section 21, subdivision 18, is amended to read:

**Subd. 18. St. Paul - Historic Palace Theater Renovation**

5,000,000

For a grant to the ~~city of~~ St. Paul Housing and Redevelopment Authority to predesign, design, construct, furnish, and equip the renovation of the historic Palace Theater in St. Paul. The ~~city of~~ St. Paul Housing and Redevelopment Authority may enter into one or more lease or management agreements to operate performing arts programs, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed from nonstate sources.

Sec. 23. Laws 2014, chapter 294, article 1, section 21, subdivision 23, is amended to read:

**Subd. 23. Virginia - Highway 53 Utilities Relocation**

19,500,000

(a) \$500,000 of this appropriation is for a grant to the city of Virginia Public Utilities Commission to

acquire land, predesign, design, construct, furnish, and equip an electrical substation along or within six miles of the relocated U.S. Highway 53 in Virginia as part of relocating the electrical utilities. This appropriation fully funds the project described in this paragraph and meets the requirements in Minnesota Statutes, section 16A.502, that the project be fully funded. This appropriation does not require a nonstate match.

(b) \$19,000,000 of this appropriation is for:

(1) a grant to the city of Virginia Public Utilities Commission to acquire land, predesign, design, construct, furnish, and equip relocated ~~storm water, sanitary sewer, water, electrical, and gas utilities~~ along or ~~near~~ within six miles of the relocated U.S. Highway 53 in Virginia, ~~St. Louis County~~ Eveleth, Gilbert, and Fayal Township;

(2) a grant to the city of Virginia to acquire land, predesign, construct, furnish, and equip relocated storm water and sanitary sewer along or within six miles of the relocated U.S. Highway 53 in Virginia, Eveleth, Gilbert, and Fayal Township; and

~~(2)~~ (3) a grant to the St. Louis and Lake Counties Regional Railroad Authority to acquire land, predesign, design, construct, furnish, and equip trails to handle bicycles, pedestrians, snowmobiles, and ATVs along or ~~near~~ within six miles of the relocated U.S. Highway 53 in Virginia, St. Louis County Eveleth, Gilbert, and Fayal Township. This appropriation does not require a nonstate match.

Sec. 24. Laws 2014, chapter 295, section 10, subdivision 12, is amended to read:

**Subd. 12. St. Paul - Minnesota Children's Museum**

7,485,000

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip an expansion and renovation of the Minnesota Children's Museum. The expansion and exhibit upgrades should incorporate the latest research on early learning, allow for new state-of-the art education facilities, and increase the capacity of visitors to galleries and programming areas. This appropriation is not available until the commissioner of management and budget has de-

terminated that at least an equal amount \$4,000,000 has been committed from nonstate sources. Amounts expended for this project by nonstate sources since October 1, 2010, shall count toward the nonstate match.

**Sec. 25. MINNEAPOLIS COMMUNITY AND TECHNICAL COLLEGE; SALE OF AVIATION TRAINING CENTER.**

Notwithstanding Minnesota Statutes, section 16A.695, subdivision 3, the net proceeds of the sale or disposition of the Aviation Training Center at the Flying Cloud Airport operated by the Minneapolis Community and Technical College, after paying all expenses incurred in selling the property, are appropriated to the Board of Trustees of the Minnesota State Colleges and Universities for use pursuant to Minnesota Statutes, section 135A.046, at the Minneapolis Community and Technical College campus and the net proceeds need not be paid to the commissioner of management and budget, as would otherwise be required by Minnesota Statutes, section 16A.695, subdivision 3. When the sale is complete and the sale proceeds have been applied as provided in this section, Minnesota Statutes, section 16A.695, no longer applies to the property and the property is no longer state bond financed property.

**Sec. 26. WEST METRO EDUCATION PROGRAM; PROPERTY CONVEYANCE.**

Subdivision 1. **FAIR School downtown.** Notwithstanding the appropriations of state general obligation bond proceeds in Laws 1994, chapter 643, section 14, subdivision 7, and Laws 1998, chapter 404, section 5, subdivision 5, as amended by Laws 1999, chapter 241, article 4, section 20; and the appropriation of general fund money in Laws 1997, First Special Session chapter 4, article 2, section 51, subdivision 13, to Joint Powers District No. 6069, West Metro Education Program, to acquire and better the FAIR School downtown in Minneapolis, the real and personal property of the FAIR School downtown may be conveyed to Special School District No. 1, Minneapolis, for operation of a multidistrict integration facility that serves students in any grade from early education through grade 12.

Subd. 2. **FAIR School Crystal.** Notwithstanding the appropriation of state general obligation bond proceeds in Laws 1998, chapter 404, section 5, subdivision 5, as amended by Laws 1999, chapter 241, article 4, section 20; and the appropriation of general fund money in Laws 1997, First Special Session chapter 4, article 2, section 51, subdivision 13, and Laws 2000, chapter 492, article 1, section 5, subdivision 2, to Joint Powers District No. 6069, West Metro Education Program, to acquire and better the FAIR School Crystal in Crystal, the real and personal property of the FAIR School Crystal may be conveyed to Independent School District No. 281, Robbinsdale, for operation of a multidistrict integration facility that serves students in any grade from early education through grade 12.

**Sec. 27. CONVEYANCE OF STATE LAND; HENNEPIN COUNTY.**

Subdivision 1. **Conveyance authorized.** Notwithstanding Minnesota Statutes, sections 16A.695 and 16B.281 to 16B.287, or other law, administrative rule, or commissioner's order to the contrary, the commissioner of administration may convey to Hennepin County for no consideration the real property described in subdivision 3. The commissioner of administration may add conditions to the conveyance of the property deemed to be in the interest of the state. Notwithstanding any provision of this section to the contrary, the real property shall continue to be considered state bond financed property after the conveyance of the real



property to Hennepin County and until all the requirements are satisfied for the real property to no longer be considered state bond financed property. Hennepin County must operate the state bond financed property in compliance with Minnesota Statutes, section 16A.695, and all applicable state and federal laws, and in a manner that will not cause the interest on the state general obligation bonds to be subject to federal income taxation for any reason.

Subd. 2. **Form.** The conveyance shall be in a form approved by the attorney general. The attorney general may make changes to the legal description to correct errors and ensure accuracy.

Subd. 3. **Description.** The real property to be conveyed is located in Hennepin County and is described as: Lots 12, 13, and 14, Block 2, BISCHOFF 1ST ADDITION, Hennepin County, Minnesota.

Subd. 4. **Determination by commissioner.** The commissioner has determined that the real property described in subdivision 3 is no longer needed for any state purpose and that the state's land management interests are best served if the land is conveyed to and used by Hennepin County for community-based services.

**Sec. 28. RESPONDING TO CLOSURE OF ST. ANTHONY FALLS LOCK.**

The chairs of the committees in the house of representatives and the senate with primary jurisdiction over capital investment will each, or jointly, convene periodic meetings, beginning before August 1, 2015, with the business owners and other stakeholders affected by the closure of the St. Anthony Falls Lock on the Mississippi River, to discuss the effects of the closure, costs incurred by the state, the cities, and the business owners as a result of the use of trucks traveling on roads instead of barges traveling on the Mississippi River to transport goods, and to identify solutions to the problems and expenses caused by the closure. This section sunsets July 1, 2016.

**Sec. 29. EFFECTIVE DATE.**

This article is effective the day following final enactment.

Presented to the governor June 13, 2015