

CHAPTER 2--H.F.No. 80

An act relating to capital investment; changing the source of funding for previously authorized capital projects; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale and issuance of state bonds; appropriating money; modifying prior appropriations; amending Minnesota Statutes 2018, sections 116P.08, subdivision 1; 161.088, subdivision 2; Laws 2018, chapter 214, article 1, sections 16, subdivisions 2, 7, 11; 17, subdivision 7; 21, subdivision 28; 22, subdivision 4; 25, subdivision 3; 26, subdivision 1; article 3, sections 7, subdivision 1; 11; 13; 14; 15; repealing Minnesota Statutes 2018, section 16A.969; Laws 2018, chapter 214, article 3, sections 7, subdivision 2; 8, subdivision 2; 9, subdivision 2; 10, subdivision 2; article 6, section 4.

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:

(1) 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;

(2) is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642;

(3) 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; and

(4) is available for a grant to a political subdivision after the commissioner of management and budget determines that an amount sufficient to complete the project as described in this act has been committed to the project, as required by Minnesota Statutes, section 16A.502.

APPROPRIATIONS

Sec. 2. **NATURAL RESOURCES**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>13,000,000</u>
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(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

3,419,000

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, the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation.

Subd. 3. Elk River - Lake Orono

1,500,000

For a grant to the city of Elk River to dredge Lake Orono.

Subd. 4. Lake Redwood Reclamation

7,300,000

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 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, increase fish habitat, and enhance recreational opportunities.

Subd. 5. South St. Paul - Seidl's Lake

781,000

For a grant to the city of South St. Paul for capital improvements to improve the water quality of Seidl's Lake. The capital improvements include design, engineering, construction, and equipping of a storm water lift station to discharge excess storm water into

the city of South St. Paul's storm sewer system to minimize the fluctuating water levels of the lake. This project may be implemented jointly by the cities of South St. Paul, Inver Grove Heights, and West St. Paul.

Sec. 3. **POLLUTION CONTROL AGENCY**

\$ 10,300,000

To the Pollution Control Agency to design and construct remedial systems, including cleanup and removal of a leaking hazardous waste pit and protection of groundwater, at the Waste Disposal Engineering site in Anoka County in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42.

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES**

\$ 10,000,000

(a) To the Board of Water and Soil Resources to acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program.

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

(c) The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration.

(d) Of this appropriation, up to five percent may be used for restoration, rehabilitation, and enhancement, and no more than \$1,000,000 may be used to acquire working lands easements.

Sec. 5. **METROPOLITAN COUNCIL**

\$ 10,000,000

To the Metropolitan Council for the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance

with the council's policy plan as provided in Minnesota Statutes, section 473.147. This appropriation must not be used to purchase easements.

Sec. 6. **PUBLIC FACILITIES AUTHORITY**

Subdivision 1. **Total Appropriation** **\$ 59,000,000**

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

Subd. 2. **State Match for Federal Grants** **6,000,000**

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

Subd. 3. **Water Infrastructure Funding Program** **14,652,000**

For grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072, for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

Subd. 4. **Point Source Implementation Grants Program** **38,348,000**

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.

Sec. 7. **BOND SALE EXPENSES** **\$ 102,000**

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

Sec. 8. **BOND SALE AUTHORIZATION.**

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 \$102,402,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 9. **REPEALER.**

Minnesota Statutes 2018, section 16A.969, and Laws 2018, chapter 214, article 6, section 4, are repealed.

Sec. 10. Minnesota Statutes 2018, section 116P.08, subdivision 1, is amended to read:

Subdivision 1. **Expenditures.** (a) Money in the trust fund may be spent only for:

- (1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;
 - (2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;
 - (3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;
 - (4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;
 - (5) capital projects for the preservation and protection of unique natural resources;
 - (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;
 - (7) administrative and investment expenses incurred by the State Board of Investment in investing deposits to the trust fund; and
 - (8) administrative expenses subject to the limits in section 116P.09; and
 - ~~(9) to pay principal and interest on special appropriation trust fund bonds issued pursuant to section 16A.969 and other law.~~
- (b) In making recommendations for expenditures from the trust fund, the commission shall give priority to funding programs and projects under paragraph (a), clauses (1) and (6). Any requests for proposals issued by the commission shall clearly indicate these priorities.

Sec. 11. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 2

CORRECTIONS TO 2018 ACT

Section 1. Minnesota Statutes 2018, section 161.088, subdivision 2, is amended to read:

Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner shall establish a corridors of commerce program for trunk highway construction, reconstruction, and improvement, including maintenance operations, that improves commerce in the state.

(b) The commissioner may expend funds under the program from appropriations to the commissioner that are:

(1) made specifically by law for use under this section;

(2) at the discretion of the commissioner, made for the budget activities in the state roads program of operations and maintenance, program planning and delivery, or state road construction; and

(3) made for the corridor investment management strategy program, unless specified otherwise.

(c) The commissioner shall include in the program the cost participation policy for local units of government.

(d) The commissioner may use up to 17 percent of any appropriation to the program for program delivery.

Sec. 2. Laws 2018, chapter 214, article 1, section 16, subdivision 2, is amended to read:

Subd. 2. Local Road Improvement Fund Grants

78,600,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for trunk highway corridor projects under Minnesota Statutes, section 174.52, subdivision 2, 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) Of this amount, \$13,500,000 is for a grant to the city of Dayton for design, engineering, environmental analysis, property and easement acquisition, construction, and reconstruction of local roads in conjunction with an interchange on marked Interstate Highway 94 near Hennepin County State-Aid Highway 101, known as Brockton Lane, in Dayton.

(c) Of this amount, \$6,100,000 is for a grant to the city of Inver Grove Heights to predesign, design, engineer, acquire right-of-way property and temporary and permanent easements, inspect, and construct or reconstruct: (1) realignment of Dakota County State-Aid Highway 63, known as Argenta Trail, in Inver Grove Heights, from northerly of its intersection with Amana Trail to the anticipated future alignment of 65th Street, then west to the existing Argenta Trail alignment, and in anticipation of the development of an interchange of Argenta Trail and marked Interstate Highway 494; and (2) expansion from two lanes to four lanes of Dakota County State-Aid Highway 26, known as 70th Street West, in Inver Grove Heights,

from the border with Eagan ~~to~~ through the intersection with Argenta Trail as realigned, to the intersection of Highway 26 with Trunk Highway 3, known as Robert Street.

(d) Of this amount, \$9,000,000 is for a grant to Carver County following a jurisdictional transfer to Carver County of the affected segment of marked Trunk Highway 101. The appropriation may be used for design, right-of-way acquisition, engineering, and reconstruction of the segment transferred to the county that is between Pioneer Trail and Flying Cloud Drive, including grade separation of a multipurpose pedestrian and bicycle trail from the segment for the Minnesota River Bluffs Regional Trail and a regional trail along marked Trunk Highway 101.

Sec. 3. Laws 2018, chapter 214, article 1, section 16, subdivision 7, is amended to read:

Subd. 7. Brooklyn Park - Trunk Highway 169 and 101st Avenue Interchange Project

4,000,000

\$4,000,000 is from the bond proceeds account in the state transportation fund for a grant to the city of Brooklyn Park for preliminary and final design, engineering, environmental analysis, right-of-way acquisition, and construction of an interchange located at Trunk Highway 169 and 101st Avenue in the city of Brooklyn Park.

Sec. 4. Laws 2018, chapter 214, article 1, section 16, subdivision 11, is amended to read:

Subd. 11. Corridors of Commerce

400,000,000

(a) From the bond proceeds account in the trunk highway fund for the corridors of commerce program under Minnesota Statutes, section 161.088.

(b) This appropriation is available in the amounts of:

- (1) \$150,000,000 in fiscal year 2022;
- (2) \$150,000,000 in fiscal year 2023; and
- (3) \$100,000,000 in fiscal year 2024.

(c) ~~From this appropriation,~~ The commissioner must select projects for the corridors of commerce program solely using the results of the spring 2018 evaluation for the corridors of commerce program, in order based

on total score, ~~and~~. In addition to the projects selected for funding in the first round from the spring 2018 evaluation, the commissioner must select at least two projects located outside the Department of Transportation metropolitan district. If funds are insufficient for an identified project, the commissioner must either select the identified project, or select one or more alternative projects that are (1) for a segment within the project limits of the identified project; and (2) also identified and scored in the spring 2018 evaluation process. For projects located outside the Department of Transportation metropolitan district, the commissioner must not select a project located in a county within which a project was selected for funding in the first round in the spring 2018 evaluation for the corridors of commerce program.

(d) The appropriation in Laws 2017, First Special Session chapter 3, article 2, section 2, subdivision 1, is available for the projects selected under paragraph (c) that the commissioner determines are ready to proceed.

(e) The appropriation in this subdivision is available for any projects selected by the commissioner using the results of the evaluation for the corridors of commerce program conducted in spring 2018.

(f) This appropriation cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget shall count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued, and not as the date of enactment of this section.

Sec. 5. Laws 2018, chapter 214, article 1, section 17, subdivision 7, is amended to read:

Subd. 7. White Bear Lake Trail and Route

4,000,000

(a) To the Metropolitan Council for grants to complete design and construction of a multiuse paved trail and route for pedestrians, bicycles, and wheelchairs around White Bear Lake in Ramsey and Washington Counties.

(b) \$2,600,000 of this appropriation is for a grant to Ramsey County to design and construct trail improvements, consistent with the completed preliminary engineering, along South Shore Boulevard

between White Bear Avenue and marked Trunk Highway 120 and to pave an existing dirt path within the Ramsey County Beach and Water Park from the entrance to the park at Highway 96 to the northeast edge of the park.

(c) \$1,400,000 of this appropriation is for a grant to the city of Mahtomedi to ~~design and construct and~~ design, construct, and equip elements of the trail and route along or proximate to Birchwood Road, Wildwood Beach Road, and on or in the proximity of Briarwood Road, consistent with the completed preliminary engineering, and final design and specification, subject to approval of the commissioner of transportation with regard to elements of the trail and route that are within or adjacent to the right-of-way of marked Trunk Highway 244.

Sec. 6. Laws 2018, chapter 214, article 1, section 21, subdivision 28, is amended to read:

Subd. 28. St. Paul - Southeast Asian Language Job Training Facilities

5,500,000

For a grant to the city of St. Paul to predesign, design, renovate, construct, furnish, and equip a bus driver and mechanics training facility on ~~Acker~~ Sycamore Street in St. Paul for training drivers and mechanics through programming primarily in the Southeast Asian languages, and to predesign, design, renovate, construct, furnish, and equip a training facility on Plato Avenue in St. Paul ~~to be used during renovation of the Acker Street facility and~~ for use as a training facility for health care, manufacturing, and information technology jobs through programming primarily in the Southeast Asian languages. This appropriation may be used to acquire property for these purposes. The city of St. Paul may enter into a lease or management agreement with a nonprofit corporation for either or both of these facilities under Minnesota Statutes, section 16A.695.

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

Sec. 7. Laws 2018, chapter 214, article 1, section 22, subdivision 4, is amended to read:

Subd. 4. **Arden Hills - Water Main** 500,000

For a grant to the city of Arden Hills to install a water main extending along Highway ~~96~~ 10, from Highway ~~40~~ 96 to Interstate Highway 35W.

Sec. 8. Laws 2018, chapter 214, article 1, section 25, subdivision 3, is amended to read:

Subd. 3. **Trunk Highway Fund** 418,000

From the bond proceeds account in the trunk highway fund for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4. Notwithstanding Minnesota Statutes, section 16A.642, subdivision 1, \$400,000 of this amount does not cancel under the terms of that subdivision, and is available until December 31, 2028.

Sec. 9. Laws 2018, chapter 214, article 1, section 26, subdivision 1, is amended to read:

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 ~~\$776,699,000~~ \$776,639,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 10. Laws 2018, chapter 214, article 3, section 7, subdivision 1, is amended to read:

Subdivision 1. **Appropriation.** \$2,000,000 is appropriated from the bond proceeds account in the state transportation fund to the commissioner of transportation for a grant to Anoka County for engineering, design, and right-of-way acquisition required for construction of an underpass a railroad crossing grade separation on Anoka County State-Aid Highway 56, otherwise known as Ramsey Boulevard, under at the Burlington Northern Santa Fe Railroad in the city of Ramsey and associated improvements on U.S. Trunk Highway 10/169 in the city of Ramsey.

Sec. 11. Laws 2018, chapter 214, article 3, section 11, is amended to read:

Sec. 11. **ELY TRAILHEAD DEVELOPMENT; HOSPITAL ACCESS IMPROVEMENTS.**

~~(a)~~ \$1,300,000 is appropriated from the bond proceeds fund to the commissioner of natural resources for a grant to the city of Ely to predesign, design, construct, furnish, and equip a trailhead facility with parking, visitor information, and restrooms for trail users on the west end of the city near marked Trunk Highway 169. This appropriation does not require a nonstate contribution. Money from this appropriation not needed to complete the trailhead project may be used to predesign an extension to Pattison Street to provide a direct connection from marked Trunk Highway 169 to St. Louis County Highway 21 and improve access to the Ely Bloomenson Community Hospital campus and emergency services building.

~~(b) To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$1,300,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.~~

Sec. 12. Laws 2018, chapter 214, article 3, section 13, is amended to read:

Sec. 13. REFORESTATION AND STAND IMPROVEMENT.

~~(a)~~ \$3,000,000 is appropriated from the bond proceeds fund to the commissioner of natural resources to provide for reforestation and stand improvement on state forest lands to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including purchasing native seeds and native seedlings, planting, seeding, site preparation, and protection on state lands administered by the commissioner.

~~(b) To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$3,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.~~

Sec. 13. Laws 2018, chapter 214, article 3, section 14, is amended to read:

Sec. 14. APPLICATION.

Appropriations in this article are subject to article 1, section 1. The appropriation in section ~~9~~8 is from the local road improvement fund.

Sec. 14. Laws 2018, chapter 214, article 3, section 15, is amended to read:

Sec. 15. REDUCTIONS.

The following appropriations are reduced in article 1:

- (1) \$2,900,000 from the Merit Center;
- (2) \$2,000,000 from TED;
- (3) \$2,000,000 from Corrections Asset Prevention; and
- (4) \$15,000,000 from ~~Local Road and Bridge~~ the appropriation in article 1, section 16, subdivision 2.

Sec. 15. REPEALER.

Laws 2018, chapter 214, article 3, sections 7, subdivision 2; 8, subdivision 2; 9, subdivision 2; and 10, subdivision 2, are repealed.

Sec. 16. EFFECTIVE DATE.

This article is effective the day following final enactment.

Presented to the governor March 5, 2019

Signed by the governor March 5, 2019, 9:43 a.m.