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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 868

01/25/2023 Authored by Hill and Anderson, P. E., The bill was read for the first time and referred to the Committee on Capital Investment

1.1 A bill for an act
1.2 relating to capital investment; appropriating money for a regional arts and heritage
1.3 center in the city of Scandia; authorizing the sale and issuance of state bonds.

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

1.5 Section 1. SCANDIA; WATER TOWER BARN ARTS AND HERITAGE CENTER.

1.6 Subdivision 1. Appropriation. (a) \$2,200,000 is appropriated from the bond proceeds
1.7 fund to the commissioner of employment and economic development for a grant to the city
1.8 of Scandia to predesign, design, construct, furnish, and equip the Scandia Water Tower
1.9 Barn Arts and Heritage Center in the city of Scandia. This appropriation is for the
1.10 reconstruction and rehabilitation of the historic Scandia water tower barn for reuse as a
1.11 regional arts and heritage center, along with construction of an amphitheater and site
1.12 improvements. This facility will be located adjacent to the Gammelgarden Museum and
1.13 will complement the telling of the important story of the state's original Swedish immigrant
1.14 community. The water tower barn is the state's only remaining water tower barn tank house
1.15 and is eligible for listing on the National Register of Historic Places for its unique engineering
1.16 significance and the role that tank house facilities played in the evolution from the agrarian
1.17 to the early 20th century mercantile economy.

1.18 (b) This appropriation is not available until the commissioner of management and budget
1.19 has determined that an equal amount, sufficient to complete the project, has been committed
1.20 from nonstate sources. Amounts contributed and the fair market value of (1) the land leased
1.21 by the city of Scandia, (2) the contributed historic structure, and (3) in-kind contributions,
1.22 whether provided before or after the enactment of this section, are eligible to be part of the
1.23 nonstate match for the project. The city of Scandia may enter into a lease or management

2.1 agreement with a nonprofit corporation for the operation of these facilities under Minnesota  
2.2 Statutes, section 16A.695.

2.3 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond  
2.4 proceeds fund, the commissioner of management and budget shall sell and issue bonds of  
2.5 the state in an amount up to \$2,200,000 in the manner, upon the terms, and with the effect  
2.6 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota  
2.7 Constitution, article XI, sections 4 to 7.

2.8 Subd. 3. **Historical rehabilitation; tax credits or legacy funding.** (a) The State Historic  
2.9 Preservation Office has indicated the Water Tower Barn in the city of Scandia is likely to  
2.10 be eligible for listing on the National Register of Historic Places upon its re-erection and  
2.11 certified rehabilitation and as a result, may qualify for certain funding due to the National  
2.12 Register certified rehabilitation.

2.13 (b) In the event the Water Tower Barn qualifies for federal and state historic tax credits,  
2.14 the structure and a suitable portion of the site may be excluded from the state bond financed  
2.15 property pursuant to Minnesota Statutes, section 16A.695, provided that no state bond  
2.16 proceeds shall be used for any portion of the project not subject to Minnesota Statutes,  
2.17 section 16A.695.

2.18 (c) Nonstate amounts received and spent on the re-erection and rehabilitation of the  
2.19 Water Tower Barn shall be counted toward the match requirement in Minnesota Statutes,  
2.20 section 16A.86. Funds invested by an investor receiving an assignment of state historic tax  
2.21 credits pursuant to Minnesota Statutes, section 290.0681, are nonstate funds for purposes  
2.22 of the match requirement.

2.23 (d) Money received from the Arts and Cultural Heritage Fund, established in Minnesota  
2.24 Statutes, section 129D.17, for the re-erection and rehabilitation of the Water Tower Barn  
2.25 shall be nonstate funds for purposes of the match requirement in Minnesota Statutes, section  
2.26 16A.86.

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