

House Research Act Summary

CHAPTER: 393, as amended by chapter 400 **SESSION:** 2002 Regular Session

TOPIC: Omnibus Capital Investment Financing - Bonding

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Overview

This act provides capital funding for public facilities and makes related policy changes. The summary below incorporates the amendment to the provision authorizing a lease-purchase agreement for development of new health, agriculture, and human services offices and parking, in Laws 2002, chapter 400, section 13 (the technical corrections act). It also indicates which items were vetoed by the governor.

For the amount of each appropriation (and veto information), see the spreadsheet prepared by the House fiscal analyst, John Walz, available on-line at: <http://www.house.leg.state.mn.us/fiscal/files/bond02.pdf>.

- 1 **Capital improvement appropriations summary.** In general, appropriations are available until the project is complete or abandoned, subject to Minnesota Statutes, section 16A.642 (cancellation of capital appropriations). Appropriations for asset preservation are available until June 30, 2004.
- 2 **University of Minnesota.**
 - Subd. 1. Total appropriated.** To the board of regents of the University.
 - Subd. 2. Higher education asset preservation and replacement (HEAPR).** Authorizes the unspent portion of an appropriation in this section, but not to exceed 10 percent, to be used for HEAPR. Requires the board of regents to report to named legislative committee chairs by February 1 of each even-

numbered year any project savings and reallocations for HEAPR.

Subd. 3. Twin Cities - Minneapolis.

(a) Renovation of Jones Hall. **VETOED**
Allows use of single-phase design-build.

(b) Renovation of Nicholson Hall.
Allows use of single-phase design build

(c) Design and construction of the **VETOED**
Translational Research Facility.
Requires \$12,300,000 nonstate match. Allows use of two-phase design-build.

(d) Predesign and design of the **VETOED**
teaching and technology center for the Institute of Technology.

Subd. 4. Twin Cities - St. Paul.

(a) Plant growth facilities, phase 2.

(b) Renovate veterinary diagnostic **VETOED**
laboratory.

Subd. 5. Crookston. Replace Bede Hall.

Subd. 6. Duluth. Design and construct laboratory science building. Contingent on nonstate contribution of \$7,500,000.

Subd. 7. Morris. Design, renovate and **VETOED**
equip social science building and install sprinkler system in student housing. Contingent on nonstate contribution of \$400,000.

Subd. 8. Classroom improvements.
Classroom improvements systemwide.

Subd. 9. Research and outreach centers (ROCs). **VETOED**
Acquire land for and design, construct, furnish and equip (1) a research laboratory and office space at the Northwest ROC at Crookston, (2) an addition to the aspen/larch genetics lab at the North Central ROC at Grand Rapids and acquire land for two test planting sites, (3) an addition to the administration building at the Southern ROC in Waseca, and (4) an environmentally friendly swine farrowing demonstration facility at the West Central ROC, subject to the law governing lease or management agreements for state bond-financed

property with nonpublic entities.

Subd. 10. Debt service. Requires the University of Minnesota to pay debt service on one-third of the principal amount of state bonds sold for projects, except those for HEAPR and where a nonstate match is required. When a nonstate match is required, the debt service is on the principal amount equal to one-third the total project cost less the match committed before the bonds are sold.

Subd. 11. Contingencies. Directs the commissioner of finance to establish an account under the control of the board of regents that combines the contingency amount for each project into a single account to be allocated by the board as needed. Allows unspent contingency funding to be used for HEAPR projects. Requires a report by February 1 of even-numbered years on how the contingency money has been spent.

Subd. 12. Minnesota goods and services. Directs the board of regents to make reasonable attempt to give preference to construction contractors who use Minnesota goods and services (for design-build projects).

3 **Minnesota state colleges and universities (MnSCU)**

Subd. 1. Total appropriated. To the board of trustees.

Subd. 2. Higher education asset preservation and replacement (HEAPR). Authorizes the unspent portion of an appropriation in this section, but not to exceed 10 percent, to be used for HEAPR.

Subd. 3. Alexandria technical college. Construct, furnish and equip a smart classroom and computer laboratory building.

Subd. 4. Bemidji state university. Design the co-location of emerging technologies and health care programs of Bemidji State University and Northwest Technical College.

VETOED

Subd. 5. Century community and technical college. Purchase the transition wing from intermediate school district 916 and design renovation of space for expansion of the computer center, offices, and smart classrooms.

Subd. 6. Dakota technical college. VETOED
Design renovation of west side of main campus facility for information technology.

Subd. 7. Fergus Falls community college. VETOED
Design and construct an expansion of the maintenance shop. To design an addition to link the administration and fine arts buildings and make other improvements.

Subd. 8. Hennepin technical college. VETOED
Renovation of existing space at the Eden Prairie and Brooklyn Park campuses.

Subd. 9. Inver Hills community college. VETOED
Design renovation and construct an addition for student services and other support facilities.

Subd. 10. Lake Superior community and technical college. VETOED
Design student center addition for smart classrooms, student services, and laboratories.

Subd. 11. Metropolitan state university.
Construct, furnish and equip the library and information access center, contingent on at least \$2,504,000 from nonstate sources.

Subd. 12. Minneapolis community and technical college. Renovate former technical college building for co-location of Metropolitan state university.

Subd. 13. Minnesota State University Mankato. VETOED
Renovate Otto Arena and adjacent areas.

Subd. 14. Minnesota West community and technical college at Worthington. VETOED
Design and construct student services area, science labs, and nursing and allied health space.

Subd. 15. Minnesota State University - Moorhead. Construct and equip science lab and auditorium addition to Hagen

Hall.

Subd. 16. Normandale community college. Renovate and equip vacated science labs.

Subd. 17. Northeast higher education district - Virginia. Renovate and equip science laboratories and classrooms and construct a dock and driveway. **VETOED**

Subd. 18. Northwest technical college - Moorhead campus. Design renovation of existing facilities and new facilities for allied health and applied technology laboratories. **VETOED**

Subd. 19. Ridgewater community and technical college. Renovate and equip science laboratories on Willmar campus and convert obsolete laboratories on Hutchinson campus into science labs. **VETOED**

Subd. 20. South central technical college. Design renovation of teaching labs at North Mankato campus and design asset preservation at Faribault campus. **VETOED**

Subd. 21. Southeast technical college. Design and renovate a student services area and workforce center entrance at Winona, and design and renovate student services area at Red Wing. **VETOED**

Subd. 22. Southwest state university. Renovate and equip the library and construct a new entrance. **VETOED**

Subd. 23. St. Cloud state university. Design, renovate and equip Centennial Hall conversion to classrooms and design renovation of Riverview Hall. Also authorizes the design of renovation for Brown Hall and Eastman Hall from the appropriation. **VETOED**

Subd. 24. St. Cloud technical college. Design of connecting multi-story building and renovation of a building wing. **VETOED**

Subd. 25. St. Paul technical college. Permits the pipefitters local 455/JATC to donate money for or to build a building for academic purposes of the pipe trades at a site approved by the board on the campus. Requires board approval of the design and the building becomes state

property upon donation.

Subd. 26. Winona state university.

Design, construct and equip a science building.

Subd. 27. Science lab renovations.

Design, renovate, furnish and equip science laboratories at the campuses of Southeast technical college (Winona, Red Wing), Minnesota West (Canby, Worthington), Minneapolis community and technical college, and South Central technical college (Faribault).

Subd. 28. Land acquisition. To acquire land near state colleges and universities. **VETOED**

Subd. 29. Debt service. Requires MnSCU to pay debt service on one-third of the principal amount of state bonds sold for projects, except those for HEAPR and where a nonstate match is required. When a nonstate match is required, the debt service is on the principal amount equal to one-third the total project cost less the match committed before the bonds are sold.

Subd. 30. Contingencies. Directs the commissioner of finance to establish an account under the control of the board of trustees in which to combine the contingency amount for each project into a single account to be allocated by the board as needed. Allows unspent contingency funding to be used for HEAPR projects. Requires a report by February 1 of even-numbered years on how the contingency money has been spent.

4 **Perpich center for arts education.** To the commissioner of administration. For asset preservation and to design and construct a lighting catwalk in the performance hall.

5 **Children, families and learning.**

Subd. 1. Total appropriated. To the commissioner of children, families, and learning.

Subd. 2. Maximum effort capital loans. For a capital loan to the Red Lake school district for elementary classrooms,

facilities design, and health and safety improvements in the middle school and high school.

Subd. 3. Southwest integration magnet school. For a grant for a new the southwest integration magnet school in St. Louis Park. **VETOED**

Subd. 4. Library access grants. For grants to remove architectural barriers from library buildings or sites. **VETOED**

Subd. 5. Minnesota Planetarium. For a grant to Minneapolis to design and construct the planetarium. Requires a match from nonstate sources. Allows the planetarium's proportional share of in-kind contributions (to the library/planetarium complex) to be counted as match. States the legislature does not intend to appropriate more money until there is a cash contribution from sources other than state or local government of \$4,000,000. **VETOED**

Subd. 6. Asian community center. For a grant to St. Paul for an Asian community center. Requires a nonstate match. **VETOED**

Subd. 7. Colin Powell youth leadership center. For a grant to Hennepin county for a youth leadership center in Minneapolis. Requires a nonstate match. **VETOED**

Subd. 8. Neighborhood House/El Rio Vista. For a grant to St. Paul for an expansion of the Neighborhood House/El Rio Vista. Requires a nonstate match. **VETOED**

Subd. 9. Trollwood performing arts school. For a grant to Moorhead for the Trollwood art village. Requires the facility to be available to regional arts groups. Requires a nonstate match. **VETOED**

Subd. 10. Early childhood learning and child protection facilities. **VETOED**

6 **Minnesota state academies.** To the commissioner of administration. For asset preservation, including demolition of West Cottage.

7 **Natural resources.**

Subd. 1. Total appropriated. To the commissioner of natural resources.

Subd. 2. Statewide asset preservation.

Authorizes the unspent portion of an appropriation in this section, but not to exceed 10 percent, to be used for asset preservation.

Subd. 3. Field office renovations.

Prohibits closing offices in Rochester or Brainerd without legislative approval (i.e., a law) until June 30, 2006.

Subd. 4. Office facility development. To construct an office and service facility in Thief River Falls.

Subd. 5. ADA compliance.

Subd. 6. State park initiative. For building, utility, and natural resource projects in the state park system. Also directs that the appropriation be used to implement the master plan for the historic golf course at Fort Ridgely state park.

Set-aside for the Big Bog recreation area. **VETOED**

Set-aside for the Red River recreation area. **VETOED**

Subd. 7. State park and recreation area acquisition. **VETOED** For acquisition of in-holdings.

Subd. 8. Metro regional park acquisition and betterment. To the metropolitan council for regional parks and open space.

Set aside for Como Park conservatory. **VETOED**

Subd. 9. Regional parks: greater Minnesota. **VETOED** For grants to regional parks organizations outside the metropolitan area. Requires \$2 nonstate for each \$3 state funding.

Subd. 10. Forest road and bridge projects.

Subd. 11. Reforestation. **VETOED**

Subd. 12. State forest land acquisition. **VETOED** To acquire in-holdings.

Subd. 13. State trail acquisition and development. Specifies amounts for: Willard Munger trail, Luce Line trail, and Douglas trail, **APPROVED**, and

Gitchi-Gami trail, Shooting Star trail, Blazing Star trail, Goodhue Pioneer trail, and the Paul Bunyan trail. **VETOED**

Subd. 14. Trail connections. Matching grants to local governments.

Set asides for the Lake Koronis trail and the New Ulm trail between Flandreau state park and New Ulm. **VETOED**

Subd. 15. Metro greenways and natural areas. For grants to local governments. **VETOED**

Subd. 16. Well sealing. To identify and seal inactive wells on state-owned land.

Subd. 17. Lewis and Clark rural water system. From general fund. Requires \$8 federal for each \$1 state. **VETOED**

Subd. 18. Red Rock rural water system. Requires nonstate match. **VETOED**

Subd. 19. Dam improvements. General program.

Set asides for the Rapidan dam, contingent on a nonstate match, and for Crookston. **VETOED**

Subd. 20. Flood hazard mitigation grants. Specifies projects. For certain projects where the cost exceeds 2 percent of the median household income in the municipality multiplied by the number of households, the appropriation is also for the local share.

Subd. 21. Stream protection and restoration. **VETOED**

Subd. 22. Water access acquisition and development. For public water access acquisition, construction, and renovation, including a fishing pier at Blue Mound state park. **VETOED**

Subd. 23. Lake Superior safe harbor. To complete the McQuade road project. **VETOED**

Subd. 24. Fish hatchery improvements. **VETOED**

Subd. 25. Fisheries acquisition and improvement. **VETOED**

Subd. 26. Scientific and natural area acquisition and improvement. Allows up to \$1,500,000 to be used to acquire and **VETOED**

restore the Seminary fen in Carver county.

Subd. 27. Natural and scenic area land acquisition grants. For matching grants to local governments. **VETOED**

Subd. 28. RIM consolidated wildlife and critical habitat match.

Subd. 29. Native prairie bank easement. **VETOED**

8 **Pollution control agency.** To the agency. For the closed landfill cleanup program.

9 **Office of environmental assistance.**

Subd. 1. Total appropriated. To the office.

Subd. 2. Solid waste capital assistance grants. Gives priority to projects that expand processing capacity. **VETOED**

Subd. 3. Fergus Falls - solid waste combustor. For a grant to the city of Fergus Falls to design, construct, furnish and equip the city's municipal solid waste combustor with new air pollution control equipment to meet state and federal environmental guidelines. Requires a nonstate match.

10 **Board of water and soil resources.** All appropriations vetoed.

Subd. 1. Total appropriated. To the board.

Subd. 2. RIM (reinvest in Minnesota). **VETOED**

Subd. 3. Shoreland protection program. **VETOED**

Subd. 4. Wetland replacement due to public road projects. **VETOED**

Subd. 5. Lazarus creek. **VETOED**

Subd. 6. Stillwater - Brown's creek. **VETOED**

11 **Agriculture.**

Subd. 1. Total appropriated. To the commissioner of administration or another named agency.

Subd. 2. Rural finance authority loan participation. To the rural finance authority. User financed.

Subd. 3. Expansion of metro greenhouse and storage bay. **VETOED**

12 **Minnesota zoological gardens.**

Subd. 1. Total appropriated. To the Minnesota zoological gardens.

Subd. 2. Asset preservation.

Subd. 3. Phase 1 of master plan. For the **VETOED** Asia trail. Allows up to \$1,000,000 to design other components of phase 1. Requires an amount equal to at least 25 percent of the appropriation come from nonstate sources.

13 **Administration.**

Subd. 1. Total appropriated. To the commissioner of administration.

Subd. 2. Capital asset preservation and replacement (CAPRA). Authorizes the unspent portion of an appropriation in this section, but not to exceed 10 percent, to be used for CAPRA.

Subd. 3. Electrical utility infrastructure, phase 6. Electrical work in the capitol complex.

Subd. 4. Agency relocation. From the general fund.

Subd. 5. Renovate governor's residence. **VETOED**

Subd. 6. Health and agriculture laboratories. To design, construct, furnish and equip a joint laboratory facility in St. Paul for the departments of agriculture and health.

Subd. 7. Health, agriculture, and human services office and parking facilities. Authorizes the commissioner of administration to enter into one or more long-term lease-purchase agreements with the St. Paul port authority or another governmental entity, for terms up to 25 years, to development office and parking facilities in St. Paul for the departments of health, agriculture, and human services. Requires review and recommendation from the legislative commission on planning and fiscal policy. Provides that the lease-purchase agreements must not be terminated except for nonappropriation of money. Requires the agreement to give the state the unilateral right to purchase at specified times for specified amounts.

Limits the office space for human services to the same size as it currently occupies.

Subd. 8. State-owned property. Permits the commissioner of administration to enter into a ground lease for state-owned property in the capitol complex in conjunction with the lease-purchase agreement. (This allows development of the former capitol square site under the lease-purchase authority.)

Subd. 9. Government services center. VETOED
For predesign of a government services facility in Olmsted county to colocate state, federal and local government offices.

14 **Capitol area architectural and planning board.** To the commissioner of administration. To plaster and repaint public spaces in the capitol building, and conserve and repair existing artwork. From the general fund. Requires approval of the secretary of the senate for any work done in senate space and approval of the chief clerk of the house for any work done in house space.

15 **Amateur sports commission.** All appropriations vetoed.

Subd. 1. Total appropriated. To the amateur sports commission.

Subd. 2. Sports conference center. For a VETOED sports conference center on the Blaine campus.

Subd. 3. National volleyball center-phase 2. VETOED
To design, construct, furnish and equip phase 2 of the national volleyball center in Rochester.

Subd. 4. Mount Itasca biathlon training facility. VETOED
To complete the facility. Requires a nonstate match.

16 **Arts.** All appropriations vetoed.

Subd. 1. Total appropriated. To the commissioner of administration.

Subd. 2. Bloomington - Bloomington center for the arts. VETOED
From the general fund; requires a nonstate match.

Subd. 3. Minneapolis - Childrens' Theatre Company. VETOED
To Hennepin county

for an expansion of the theater; requires a nonstate match.

Subd. 4. Minneapolis - Guthrie Theater. To Minneapolis for a new theater; requires a nonstate match. **VETOED**

Subd. 5. Rochester - Rochester Art Center. From the general fund; requires a nonstate match. **VETOED**

Subd. 6. St. Paul - Minnesota African-American Performing Arts Center. Extends the availability of the 1999 appropriation to July 1, 2003.

17 **Military affairs**

Subd. 1. Total appropriated. To the adjutant general.

Subd. 2. Asset preservation.

Subd. 3. ADA improvements.

Subd. 4. Facility life safety improvements.

Subd. 5. Camp Ripley antiterrorism facility. For predesign of a joint military and law enforcement training facility. **VETOED**

18 **Transportation.**

Subd. 1. Total appropriated. To the commissioner of administration.

Subd. 2. Local bridge replacement and rehabilitation. From the bond proceeds account in the state transportation fund to match federal funds.

Subd. 3. Local road improvement program. For trunk highway corridor projects and local road account for routes of regional significance in the local road improvement fund (created in the bill). **VETOED**

Subd. 4. Town road sign replacement. **VETOED**
Grants to political subdivisions to pay the local share of costs of town road sign replacement under the federal highway administration's hazard elimination program. Requires the signs to have a useful life of at least 20 years.

Subd. 5. Duluth aerial lift bridge. To Duluth for capital restoration of the bridge; requires a dollar for dollar match. **VETOED**

Subd. 6. Port development assistance. **VETOED**

Subd. 7. Freight access improvements. **VETOED**

For a grant to the city of Savage to improve highway access to the ports of Savage and for a grant to the port authority of Winona to construct intermodal improvements at the Winona harbor. Requires nonstate match.

Subd. 8. Greater Minnesota transit facilities. Allows for grants for up to 80 percent of nonfederal share of costs of facilities. **VETOED**

Subd. 9. Radio communications statewide system. Design and construct two more parts to the statewide public safety radio system infrastructure - the southeast district of the state patrol, and the eastern portion of the central district, with priority for the counties of Benton, Sherburne, Stearns and Wright. **VETOED**

Subd. 10. DM&E working group. From the general fund for section 86. **VETOED**

19 **Metropolitan council**

Subd. 1. Total appropriated. To the metropolitan council.

Subd. 2. Northwest busway. To design and construct the northwest busway between Minneapolis and Rogers. Requires \$12,000,000 from Hennepin county and \$5,000,000 from the metropolitan council. Permits use of design-build.

Subd. 3. Livable communities grant program. For grants for public infrastructure development and redevelopment projects under the livable communities program. Requires review and comment by the legislative commission on metropolitan government on the grant application process and selection criteria before applications are solicited, and again on the council's ranking and recommendations for funding before grants are awarded. **VETOED**

Subd. 4. Park-and-ride facilities. For park and ride facilities outside the transit taxing district. **VETOED**

Subd. 5. Central corridor transitway. For predesign, design, final EIS, and preliminary engineering of the central **VETOED**

corridor bus transitway between Minneapolis and St. Paul. Prohibits funding any work on rail transportation.

20 **Commerce.** To the commissioner of finance. For the energy conservation investment loan program. User financed.

21 **Health.** To design and construct a community dental clinic at Lake Superior community college in Duluth, and design and renovate the Northwest technical college dental hygiene clinic in Moorhead. **VETOED**

22 **Human services.**

Subd. 1. Total appropriated. To the commissioner of administration.

Subd. 2. Systemwide roof renovation and replacement.

Subd. 3. Systemwide asset preservation.

Authorizes the unspent portion of an appropriation in this section, but not to exceed 10 percent, to be used for asset preservation.

Subd. 4. Systemwide building and structure demolition.

Subd. 5. Brainerd regional treatment center. To design, renovate, furnish and equip residential and program areas in building No. 20. **VETOED**

Subd. 6. Fergus Falls regional treatment center. To renovate ancillary support and program facilities that will facilitate the relocation of the ancillary support, treatment and residential programs from the Kirkbride buildings.

Subd. 7. St. Peter regional treatment center. Design and replace high-pressure steam boilers and convert the system to a low-pressure steam system.

Subd. 8. People, Inc. From the general fund. Re-appropriates funds for the facility but to the Minneapolis community development agency. Requires a match of \$175,000. (The 1998 appropriation is canceled in section 31, subdivision 5.) **VETOED**

Subd. 9. Designer selection. Permits the commissioner of administration, instead of the designer selection board, to select

design firms for projects funded in this section that are for repair, replacement, or asset preservation and are not to construct or remodel a building.

23 **Veterans homes board.**

Subd. 1. Total appropriation. To the commissioner of administration.

Subd. 2. Asset preservation.

Subd. 3. Hastings veterans home - phase 3. Utility infrastructure systems and related improvements.

Subd. 4. Silver Bay veterans home. Roof replacement.

24 **Corrections.**

Subd. 1. Total appropriation. To the commissioner of administration.

Subd. 2. Asset preservation. Includes completing the perimeter wall and security improvements at MCF-Stillwater. Allows a portion of the appropriation to be used for wetland mitigation for the Rush City prison. Authorizes the unspent portion of an appropriation in this section, but not to exceed 10 percent, to be used for asset preservation.

Subd. 3. Minnesota correctional facility - Lino Lakes. A new 416 bed unit. Requires at least \$10,179,000 from federal sources.

Subd. 4. Minnesota correctional facility - Shakopee. Construct and renovate the Independent Living Center into a 48 bed general population living unit, increase kitchen and eating space, increase visitation area, and other improvements.

Subd. 5. Minnesota correction facility - Stillwater. Predesign a new 150 bed segregation unit. **VETOED**

Subd. 6. Bayport storm sewer. For a grant to Bayport to complete construction of the sewer system extending from the prison pond in Bayport, through the Stillwater prison, to the St. Croix river. **VETOED**

25 **Trade and economic development.**

Subd. 1. Total appropriated. To the commissioner of trade and economic

development or another named agency.

Subd. 2. Redevelopment account. For greater Minnesota projects under the new program (see sections 47 to 51). Also includes a set-aside for clean up of the Hennepin Paper Company property in Little Falls. **VETOED**

Subd. 3. State match for federal grants. To the public facilities authority. To match federal grants for eligible projects in the water pollution control revolving fund and drinking water revolving loan fund.

Subd. 4. Wastewater infrastructure funding program. To the public facilities authority. **VETOED**

Includes a general fund appropriation for administration.

For projects on the 2002 project priority list that submit plans and specifications to the PCA or receive a funding commitment from USDA rural development before December 1, 2003.

Includes a set aside for the Larsmont portion of the Knife River-Larsmont sanitary district.

Requires the pollution control agency to prepare rule amendments for legislative review, taking into account the age and condition of existing wastewater treatment systems, issues associated with growth, and the effects on municipalities when a moratorium on new sewer connections is imposed.

Subd. 5. Fairmont- Winnebago Avenue sports complex. For a grant to Fairmont to expand the Winnebago Avenue sports complex. Requires a nonstate match. **VETOED**

Subd. 6. Greater Minnesota business development infrastructure grant program. For grants under the new program in Minnesota Statutes, section 116J.431 (section 46 of the act). **VETOED**

Subd. 7. Itasca county - children's discovery museum. In Grand Rapids. **VETOED**

Requires a nonstate match.

Subd. 8. Minneapolis - empowerment zone projects. For grant to Minneapolis for public infrastructure improvements in the south east Minneapolis industrial redevelopment empowerment zone project, the near northside redevelopment project, and the Chicago/Lake project. Requires a nonstate match.

VETOED

Subd. 9. Olivia - Minnesota center for agricultural innovation. For a grant to the city of Olivia for the center. Requires a nonstate match.

VETOED

Subd. 10. St. Cloud - civic center expansion. For a grant to St. Cloud. Requires a nonstate match.

VETOED

Subd. 11. St. Paul - Roy Wilkins auditorium. For a grant to St. Paul for asset preservation. Requires a nonstate match.

VETOED

Subd. 12. St. Paul - Phalen boulevard. For a grant to St. Paul to acquire land and complete contamination remediation on Phalen boulevard. Requires a nonstate match.

VETOED

Subd. 13. St. Paul - 2004 Renaissance project. For a grant to St. Paul for capital improvements for a public park on Raspberry Island. Requires a nonstate match.

VETOED

26 **Iron range resources and rehabilitation board.** For the Mesabi trail guest services facility.

VETOED

27 **Housing finance agency.** For two projects for publicly owned transitional and permanent housing for veterans and single adults who are homeless or at risk of becoming homeless, and other loans and grants for publicly owned transitional or permanent supportive housing.

28 **Minnesota historical society.**

Subd. 1. Total appropriated. To the Minnesota historical society.

Subd. 2. Asset preservation. Includes an amount for the Le Duc house in Hastings, contingent on an agreement with the city or another public entity taking over

ownership and operation of the site after the asset preservation work is done. Provides that if the agreement is not made, the money is available for other asset preservation work. Exempts the Le Duc appropriation from the June 30, 2004 expiration for use of asset preservation funds.

Subd. 3. County and local preservation grants. Provides matching grants. **VETOED**

Subd. 4. Sibley House historic site. To renovate buildings at the site and design future renovations.

Subd. 5. Fort Snelling historic site. To design projects for a major renovation of historic Fort Snelling. Includes a set aside to expand restrooms at the visitor center.

Subd. 6. Fort Belmont. For a grant to Jackson county for a new site for the fort. **VETOED**

Subd. 7. New Brighton caboose and history center. To the New Brighton historical society, from the general fund, to renovate the caboose and history center in Long Lake regional park. Requires a nonstate match. **VETOED**

Subd. 8. Pipestone county museum. For a grant to the city of Pipestone for an external elevator and renovate a third-floor area of the museum. Requires a nonstate match. **VETOED**

29 **Bond sale expenses.**

30 **Bond sale authorization.**

31 **Cancellations.** Cancels appropriations from prior years.

Subd. 1. \$500,000 of the 1996 bond proceeds appropriation for youth initiative grants.

Subd. 2. \$1,449,000 of the 1996 bond proceeds appropriation for early childhood learning facilities.

Subd. 3. \$113,000 (estimated) of the 1998 general fund appropriation for the Sand Dunes state forest center.

Subd. 4. \$100,000 of the 1998 general fund appropriation for the Hartley nature center.

Subd. 5. \$375,000, the 1998 general fund appropriation for People, Inc. (given a new appropriation of the same amount in this law, but which was vetoed by the governor).

Subd. 6. \$500,000, the 1998 general fund appropriation for the Red Lake education and training center.

Subd. 7. \$400,000, the 1998 general fund appropriation for the treaty site history center.

Subd. 8. \$1,000,000 of the 2000 general fund appropriation for the Guthrie theater.

32 **Building maintenance and capital betterment.** Requires the governor's proposed capital budget, in

addition to the governor's proposed operating budget, to include the necessary amounts for maintenance and betterment of state buildings. Requires the combined operating and capital amounts in the proposed budgets that are for building maintenance and betterment to equal 1 percent of the replacement cost of a building (as opposed to the prior law for 2 percent of the original cost).

- 33 **Report on expenditure of bond proceeds.** Expands the annual report of the commissioner of finance on expenditure of bond proceeds to include cash expenditures for capital projects.
- 34 **Standards.** Allows up to 10 percent of an appropriation for the capital asset preservation and replacement account (CAPRA) to be used to design projects eligible to be funded from the account in anticipation of future funding.
- 35 **Evaluation (capital requests from political subdivisions).** Adds to the criteria the commissioner of finance must use in evaluating capital requests from political subdivisions. Requires the commissioner to determine if the governing body of the political subdivision has established priorities for all projects in their jurisdiction when submitting multiple requests, and if the applicant has submitted to the commissioner of administration the predesign, if one is completed.
- 36 **Inventory of state-owned land.** Defines state-owned land. Requires the commissioner of administration to inventory all state-owned land by December 31, 2002, and thereafter maintain an inventory with information by parcel on size, location, and whether it is currently used for a public purpose, anticipated to be used for a public purpose, or not used or anticipated to be used for a public purpose. Requires the inventory to identify how much land is in each category of outdoor recreation land. Requires reports to the legislature.
Sections 37, 38, 40, and 41 establish a new design-build procedure for capital projects by the department of administration, the University of Minnesota and the Minnesota state colleges and universities. A design-build project must be authorized in law. This act authorizes several design build-projects for the University of Minnesota. Funding for all but one (Nicholson Hall) was vetoed. Design build authority expires January 1, 2004.
- 37 **Construction plans and specifications.** Permits the commissioner of administration, the board of regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities to use a design-build process (established in sections 40 and 41) for projects specifically authorized by law. (This act authorizes design-build for Nicholson Hall. It also authorized it for other University of Minnesota projects that were vetoed.) Authority under this section expires January 1, 2004. Requires a panel representing owners, constructions, engineers and architects to evaluate the use of design-build and report to the legislature on or before January 1, 2004 as to the success of the design-build method.
- 38 **Design-build authority.** Provides for the designer selection board to select all design-builders for projects over \$750,000 that are not under the control of the governing boards of the higher education systems unless the governing board makes a written request. The commissioner of administration, or the governing board must provide a written report if the performance of the design-builder has been less than satisfactory.
- 39 **Predesign requirement.** Requires a project's predesign to include MINNCORR product specifications. Exempts capital projects for park buildings owned by a local government in the metropolitan area from the predesign review requirement.
- 40 **Definitions (design-build authority).** Defines *board, clarifications, commissioner, designer, owner's representative, person, phase-one submittal, phase-two proposal, and project*. Establishes January 1, 2004 as the expiration date.
- 41 **Design-build contracts.** Establishes a process for the commissioner of administration, the University of Minnesota, and the Minnesota state colleges and universities to solicit and enter into design-build contracts. The commissioner, the board of regents and the board of trustees must determine that the

design-build method is in the best interest of the state based on eight listed criteria.

Establishes licensing requirements for design-builders. Governing boards have the option of using the designer selection board or an evaluation team to evaluate potential design-builders and make recommendations to the board.

Requires design criteria to be prepared by a licensed or certified professional who is an employee of the state, the university of Minnesota or a consultant. Criteria must include all the information necessary to describe the project. The minimum requirements for solicitations for proposals are specified. A solicitation for a design-build proposal is not an obligation to enter into a contract. All proposals may be rejected with explanation or the solicitation may be withdrawn.

Establishes the process for evaluating phase-one submission of credentials and the requirements for phase-two proposals. Cash deposits or bid bonds may be required for phase-two proposals. The commissioner or governing board may award a stipulated fee for unsuccessful proposals or for proposals on canceled projects. Proposals are ranked according to criteria in the request for proposal. The highest ranked proposal, which may not be the lowest cost, is selected and awarded a contract if all proposals are not rejected.

- 42 **Natural and scenic areas.** Requires a local unit of government receiving a grant from the commissioner of natural resources for improvement of a natural and scenic area to submit documentation of reimbursable expenses before receiving payment of the grant. This codifies language that has been in the appropriation rider in the past.
- 43 **Trail connections.** Requires a local unit of government receiving a grant from the commissioner of natural resources for trail connections to submit documentation of reimbursable expenses before receiving payment of the grant. States that the one-half match provided by a local government must be in cash. Authorizes a unit of government to enter into a lease or management agreement for a trail subject to the requirements that apply to property purchased with state bond proceeds, as set forth in Minnesota Statutes, section 16A.695. This codifies language that typically has been in the appropriation rider.
- 44 **Applicability (definitions for shoreland protection program).** Expands the definitions in section 103F.205 to apply to the new shoreland protection program established in the next section. (Funding for the shoreland protection program was vetoed.)
- 45 **Shoreland protection program.** Directs the board of water and soil resources to establish a shoreland protection program. The program is to acquire permanent conservation easements in environmentally sensitive lake and river shoreland areas. The grant may be for up to 100 percent of the cost of acquisition. Provides that the law expires June 30, 2004. (Funding for the shoreland protection program was vetoed.)

Sections 46 to 51 establish two grant programs administered by the department of trade and economic development to assist cities and development authorities in Greater Minnesota with capital costs of redevelopment.

- 46 **Greater Minnesota business development public infrastructure grant program.** Authorizes the commissioner of trade and economic development to make grants to cities outside the metropolitan area. The grant may cover up to half of the capital costs of public infrastructure that is part of an eligible economic development project to retain or expand jobs, increase tax base or create new development. This is a separate grant program from the one created in sections 47 to 51 of this act. Retail and office space development and projects that relocate business within Minnesota are ineligible. \$2,000,000 is dedicated to small cities (under 5,000 population) for the first two years and 20 percent of the appropriation must be used for industrial park development. A city is limited to \$1 million in grants for two years and all grants are subject to cancellation if not used within five years. (Funding for this program was vetoed.)

47 **Creation of accounts (greater Minnesota redevelopment accounts).** Establishes a bond proceeds fund account and a general fund account to fund grants for projects that recycle property for new development purposes. The grants are made by the commissioner of trade and economic development to cities and development authorities outside the metropolitan area. The purpose, criteria and process are established in sections 48 to 51.

This new program replaces the redevelopment grant program that is repealed in this act. (Funding for this program was vetoed.)

48 **Definitions (greater Minnesota redevelopment accounts).** Defines *development authority*, *eligible costs*, and *redevelopment* for the grant program.

49 **Criteria for accounts and projects (greater Minnesota redevelopment accounts).** Establishes the primary development purposes for the redevelopment accounts (living wage jobs, housing opportunities, mixed use development and incentives for preserving local assets). Eligible projects must, at a minimum, include seven listed development factors that include interrelated redevelopment, land use and investment that is sustainable. Priority is given to projects that include innovative financial partnerships. The commissioner must annually report to the legislature on the redevelopment account.

50 **Grant applications (greater Minnesota redevelopment accounts).** Eligible entities must apply to the commissioner for a grant. The application must identify the site, the budget, and redevelopment and financing plans.

51 **Grants (greater Minnesota redevelopment accounts).** Authorizes a grant for up to 50 percent of eligible project costs. The commissioner's awards are limited by appropriations and grant decisions are not subject to review except for abuse of discretion.

52 **Qualifications (library accessibility grants).** Expands eligibility for grants for existing accessibility improvements to library buildings to include new additions, or relocating public spaces to ground level, that are necessary to provide or improve accessibility.

53 **Standards (higher education asset preservation and replacement - HEAPR).** Authorizes the board of trustees to use up to 10 percent of the HEAPR appropriation for design costs of future HEAPR projects.

54 **Purchase of neighboring property (MnSCU).** Technical change that provides the existing authority to purchase property to all MnSCU institutions.

55 **Local road improvement fund.** (The appropriation for this fund was vetoed.)

Subd. 1. Fund created. Creates a local road improvement fund in the state treasury.

Subd. 2. Trunk highway corridor projects account. Creates a trunk highway corridor projects account in the fund, to be used as grants or loans to cities, towns, and counties for the local share of trunk highway projects that have local costs not otherwise covered by state or federal funds.

Subd. 3. Advisory committee. Creates an advisory committee of city and county engineers and elected officials to advise on expenditures from the trunk highway corridor projects account.

Subd. 4. Local road account for routes of regional significance. Creates a local road account for routes of regional significance in the fund, to be used as grants or loans to cities, towns, and counties to pay for construction and reconstruction of local streets and highways of statewide or regional significance that are not fully funded from other state, federal, or local sources.

Subd. 5. Grant procedures and criteria. Requires the commissioner of transportation to establish application procedures and project selection criteria in consultation with the association of Minnesota counties, the league of Minnesota cities, and the Minnesota township officers association. Specifies considerations for the criteria.

Subd. 6. Administrative costs. Permits 0.25 percent of the fund, other than money from bond

proceeds, to be used for administrative costs.

56 Membership; compensation; chair (Minnesota amateur sports commission). Increases the commission voting membership by two members, to be appointed by the commission.

Sections 57 to 63, 89, and 92 relate to Hennepin county and authority to use design-build for the Northwest busway and work on the Lowry Avenue bridge.

57 Design-build contracts (Hennepin county, Northwest Busway and Lowry Avenue bridge).

Subd. 1. Definitions. Defines *best value*, *county board*, *designer selection committee*, *design-build contract*, *design-build firm*, *design-builder*, *design professional*, *project*, *proposal*, *request for proposals*, and *request for qualifications* used in the law.

Subd. 2. Authority. Permits the county board to use design-build under the new statute.

Subd. 3. Restriction. States purpose of the authority granted is to evaluate design-build's effectiveness for county projects. Requires the county to have employees with specified expertise related to oversight of design-build.

Subd. 4. Procedures. Requires the county board to establish a procedure to award design-build contracts that meet the minimum requirements specified in law for a selection committee, proposals, standards, information safeguards and contracting.

Subd. 5. Licensing requirements. Requires the design-builder to be licensed to provide the necessary services. The county may subcontract for certain services.

58 Design-build process (Hennepin county, Northwest Busway and Lowry Avenue bridge).

Subd. 1. Two-phase procedure. Requires a two-phase procedures once the county has determined design-build is appropriate for a project.

Subd. 2. Contents. Establishes minimum requirements for a request for qualifications.

Subd. 3. Evaluation. Requires a two phase process to select a design-builder. In phase one the board must adopt a short list of qualified firms based on qualifications. In phase two the board must select the proposal that provides the best public value.

59 RFP for design-build (Hennepin county, Northwest Busway and Lowry Avenue bridge).

Establishes standards for the phase two request for proposal from qualified firms on the short list.

60 Replacing team members (Hennepin county, Northwest Busway and Lowry Avenue bridge).

Prohibits the replacement of design-build team members without written approval of the county board.

61 Design-build award (Hennepin county, Northwest Busway and Lowry Avenue bridge).

Requires the board to award the contract to the proposer with the highest score based on the criteria in the RFP. Authorizes the board to reject proposals and solicit new proposals after modifying the criteria, budget or qualifications.

62 Stipulated fee (Hennepin county, Northwest Busway and Lowry Avenue bridge). Authorizes the board to pay a stipulated fee to responsive but unsuccessful proposers.

63 Expiration (Hennepin county, Northwest Busway and Lowry Avenue bridge). Provides that the design-build authority expires December 31, 2007 and applies only to contracts entered into on or before January 1, 2008 for the Northwest Busway and the Lowry Avenue bridge.

Sections 64 to 75, and the repealer, make changes to the wastewater infrastructure funding (WIF) program. (The appropriation for this program was vetoed.)

64 Intended use plan. Provides for the public facilities authority, in place of the pollution control agency, to prepare the annual intended use plan (IUP) and submit it to the federal environmental protection agency. Specifies that a project must be on the pollution control agency's project priority list to be eligible for placement on the IUP.

- 65 **Establishment of program (Wastewater Infrastructure Funding Program - WIF).** Adds purpose language to this section. Establishes WIF as a separate revolving fund into which all investment income, and loan, grant and penalty payments are deposited. Effective for funds appropriated after January 1, 2002.
- 66 **Program administration.** Specifies that assistance is to be given to communities whose projects meet certain criteria, and provides additional detail about the application and distribution process. Effective for funds appropriated after January 1, 2002.
- 67 **Type and amount of assistance.** Provides that for a municipality receiving certain federal funds, the grant available from the agency is up to one-half the federally-determined grant amount. Places specific dollar limits on the amount of assistance given. For municipalities not receiving these federal grants, the agency will provide a loan for the portion of the project costs that exceed 5 percent of the market values of properties in the area, up to specified limits. Provides for assistance (half grant and half loan) of up to \$25,000 per existing connection if necessary due to geological conditions and more stringent discharge limits. Requires any additional grant amount be used to reduce the municipality's loan from the water pollution control revolving fund that exceeds 5 percent of the service area's market value. Effective for funds appropriated after January 1, 2002.
- 68 **Special assessment deferral.** Allows agencies that levy special assessments for projects to defer payment of the assessments as otherwise provided in statute. Effective for funds appropriated after January 1, 2002.
- 69 **Disbursements.** Current law refers simply to "disbursements." This provision makes it clear that this refers to disbursements of grant and loan funds. Effective for funds appropriated after January 1, 2002.
- 70 **Loan payments.** Provides additional specificity on payment arrangements, including a requirement for semiannual payments, limitations on the term of loans, and requirements for when the first payment must be made. Effective for funds appropriated after January 1, 2002.
- 71 **Eligibility.** Clarifies language. Effective for funds appropriated after January 1, 2002.
- 72 **Loan limitation.** Removes an exemption from the provision that loan funds cannot be used to reduce the payments of a particular heavy user of the system. Effective for funds appropriated after January 1, 2002.
- 73 **Report on needs.** Changes the date that a biennial report is due from October 15 of odd-numbered years to February 1 of even-numbered years. Effective for funds appropriated after January 1, 2002.
- 74 **System replacement fund.** Increases the amount that municipalities must set aside and pay under this provision. Creates an annual reporting requirement that municipalities would be required to follow, and provides that failure to comply with the requirements for the fund and the report is a default on the loan. Effective for funds appropriated after January 1, 2002.
- 75 **Consistency with land use plans.** Requires municipalities applying for assistance to submit certification from their counties that the project being proposed is in compliance with county comprehensive land use and water plans, if adopted, and that the county has adopted ordinances and controls so as to meet or exceed the requirements of rules governing individual sewage treatment systems. Effective for funds appropriated after January 1, 2002.
- 76 **Bonding authority (PFA).** Increases the public facilities authority's revenue bonding authority from \$850,000,000 to \$1,000,000,000.
- 77 **Great River Road project (Fuji Ya property).** Amends the 1987 bond authorization for the Great River Road project in Minneapolis to allow the Minneapolis park and recreation board to enter into an agreement for the operation of the Fuji Ya property as a restaurant or entertainment facility, subject to the law governing use of state-bond financed property.
- 78 **Bemidji state university, American Indian history center.** Amends the 2000 bond appropriation

for the American Indian History Center to allow up to \$1,000,000 in nonstate money to be used for the project. (Minn. Stat. § 136F.64, subd. 2, prohibits a building from being constructed that contemplates an expenditure greater than the appropriation unless authorized in law.)

- 79 **World War II veterans memorial.** Amends the 2000 appropriation to strike the match requirement and instead permit the commissioner to accept donations.
- 80 **Minnesota military museum at Camp Ripley.** Expands the use of the 2000 appropriation to furnish and equip the museum, in addition to the prior authority to design and construct it.
- 81 **Wastewater infrastructure funding program.** Shifts a portion of the 2000 appropriation from general fund to bonding to offset the change to the clean water partnership appropriation in the next section. The clean water partnership program typically cannot be funded with bonds and needs a general fund appropriation.
- 82 **Clean water partnership.** Technical (see section above).
- 83 **Cancellations and transfers.** Corrects errors in the citations for 2000 cancellations. Effective May 16, 2000.
- 84 **Bond sale schedule.** Modifies the amount set aside for debt service on bonds to be issued during the current biennium to reflect the amount of bonds authorized in this bill.
- 85 **Dan Patch commuter rail line; prohibitions.** Prohibits the metropolitan council, the department of transportation, and regional rail authorities from spending any money on or planning, designing, or constructing the Dan Patch commuter rail line between Northfield and Minneapolis.
- 86 **DM&E; working group.** Requires the commissioner of transportation to convene a multiagency working group on the DM&E rail project mitigation. Specifies membership, tasks, and requires a report to the legislature by January 15, 2003 and a final report by January 15, 2004. (Funding for this was vetoed.)
- 87 **Exemption from moratorium.** Exempts projects authorized in this act, and in the 1999, 2000, and 2001 bonding laws, from the moratorium on professional and technical contracts enacted as part of the 2002 budget reconciliation act.
- 88 **State building sale to county.** Directs the state to sell to St. Louis county, at the county's request, the government services center and parking ramp in Duluth. Sets the price at \$3,052,700. Provides for \$450,000 of the sale proceeds to go to the department of administration to reimburse the department for asset preservation expenditures. Requires the county to allow the state to continue to lease the space for at least ten years.
- 89 **Report to legislature.** Requires Hennepin county to report to the legislature on the effectiveness of design-build after completion of the Northwest busway, but no later than June 1, 2007.
- 90 **Correction.** Corrects the 2002 phase 2 budget bill (chapter 374, article 11, H.F. 3270) provisions that shifted to bonding some 1998 capital projects funded with cash.
- 91 **Repealer.** Repeals: (1) the redevelopment grant program administered by the department of trade and economic development that is replaced by the greater Minnesota redevelopment program in this act, also administered by the department of trade and economic development; and (2) sections of law relating to the WIF program, including sections regulating assistance to high cost projects and authorizing planning grants.
- 92 **Effective date; local approval.** Provides that the design-build authority for Hennepin county is effective after local approval.
- 93 **Effective date.** Except as specified in individual sections in the bill, effective May 23, 2002.