

## Requirements and Conditions Associated with State-Funded Capital Projects

This table provides an overview of various conditions and requirements that may apply to state-funded capital projects, such as building construction over a certain dollar threshold. The table also provides notes if any conditions are current conditions of Environment and Natural Resources Trust Fund (ENRTF) funding. This information was gathered from various documents related to general obligation bond funding from the Minnesota Management & Budget (MMB). It is not meant to be a comprehensive review of every possible requirement that might apply to a state-funded capital project.

|                                |   | Description  | Citation   | Current ENRTF Condition |
|--------------------------------|---|--|--|-------------------------|
| <b>Eligibility</b>             |   |  |  |                         |
| 1                              | Government Program                      | The capital improvement will be used to operate a governmental program or activity.  | <a href="#">M.S. 16A.695, subd. 8</a>  | No                      |
| 2                              | Public Ownership                        | Ownership by state agency or political subdivision of the capital asset being acquired or improved. <sup>1</sup>   | <a href="#">M.S. 16A.695</a>   | No                      |
| 3                              | Coordinated Facility Planning           | Coordinated planning for consolidation or construction by the MDH, MDA, DNR, MPCA, and BWSR of facilities located outside of the metropolitan area.          | <a href="#">M.S. 16B.241</a>   | No                      |
| <b>Assurances</b>              |   |  |  |                         |
| 4                              | Full Funding                            | Committed or legally binding demonstration that all funds to complete project are secured before project starts.   | <a href="#">M.S. 16A.502</a> ; <a href="#">M.S. 16B.31, subd. 2</a>            | No <sup>2</sup>         |
| 5                              | Match                                   | Commitment of money to match state contribution.   | <a href="#">M.S. 16A.86, subd. 4</a> ; <a href="#">M.S. 16A.695, subd. 6</a> ; | No                      |
| 6                              | Resolution                              | Resolution in support of the project from the governing body if the applicant is part of a local unit of government.   | <a href="#">M.S. 16A.86, subd. 3a</a>  | Yes                     |
| 7                              | Grant Agreement                         | Agreement between state and non-state entity receiving funding.  | <a href="#">M.S. 16A.695, subd. 9</a>  | Yes                     |
| 8                              | Construction Assurances                 | Assurances in place that construction will be completed as designed.   |  | No                      |
| 9                              | Confirmation of Satisfactory Completion | Final reimbursement contingent on demonstrated work completion based on inspection, certificate of occupancy, or other methods.                              |  | No                      |
| 10                             | Insurance                               | Appropriate insurance in place for improved property, such as builders risk insurance and fire and extended coverage.  |  | No                      |
| <b>Consultation and Review</b> |   |  |  |                         |
| 11                             | Predesign                               | Review and recommendation of predesign plan defining the purpose, scope, cost, and schedule of the project by the Department of Administration. <sup>3</sup> | <a href="#">M.S. 16B.335</a>   | No <sup>2</sup>         |

<sup>1</sup> Fee simple or long-term lease or easement qualifies as ownership.

<sup>2</sup> The LCCMR has not fully operationalized this requirement.

<sup>3</sup> Exemptions for local government projects with total construction costs less than \$1.5 million, state government or state university/college projects less than \$750,000, campgrounds, trails, parking lots, pathways, dams, park buildings owned by a local government unit in the metropolitan area, and others.

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|  |   | Description  | Citation  | Current ENRTF Condition |
|--|---|--|---|-------------------------|
| 12   | Legislative Design Review and Notification      | Presentation of program plan and cost estimates and advisory recommendation by Senate Finance and House Ways and Means committees prior to preparing final plans and specifications and notice to House and Senate capital investment committees. <sup>4</sup> | <a href="#">M.S. 16B.335</a>  | No                      |
| 13   | Historic and Archaeological                     | Consult with State Historic Preservation Office and the Office of the State Archaeologist.   | <a href="#">M.S. 138.40, subd. 3;</a><br><a href="#">M.S. 138.665, subd. 2;</a><br><a href="#">M.S. 138.666</a> | No <sup>5</sup>         |
| 14   | Information Technology                          | Review and approve the information technology portion of construction and major remodeling program plan. <sup>6</sup>  | <a href="#">M.S. 16B.335, subd. 5 and 6</a>   | No                      |
| 15   | Asset Preservation                              | Report of projects funded through asset preservation appropriation to various executive and legislative entities.  | <a href="#">M.S. 16B.307;</a> <a href="#">M.S. 16A.632;</a> <a href="#">M.S. 84.946</a>                         | No                      |
| <b>Energy Conservation and Sustainable Building Guidelines</b> |   |  |   |                         |
| 16   | Sustainable Building Guidelines                 | Apply sustainable building guidelines.   | <a href="#">M.S. 16B.325;</a> <a href="#">M.S. 216B.241</a>   | Yes <sup>5</sup>        |
| 17   | Energy Conservation Standards                   | Comply with applicable energy conservation standards contained in law.   | <a href="#">M.S. 16B.335, subd. 4</a><br>; <a href="#">M.S. 216C.19;</a> <a href="#">M.S. 216C.20</a>           | Yes <sup>5</sup>        |
| 18   | Geothermal and Solar Heating and Cooling System | Consider providing Geothermal & Solar Energy Heating & Cooling Systems on new or replacement HVAC systems.   | <a href="#">M.S. 16B.326</a>  | No                      |
| 19   | Energy Use                                      | Consider and plan for use of renewable energy sources and make energy efficiency improvements.   | <a href="#">M.S. 16B.32</a>   | No                      |
| 20   | Solar Energy                                    | Limit costs for solar energy systems to 5% of appropriation.   | <a href="#">M.S. 16B.323</a>  | No                      |
| 21   | Recycling of Construction and Demolition Waste  | Recycle certain percentage of nonhazardous construction and demolition waste.  | <a href="#">M.S. 16B.327</a>  | Yes <sup>5</sup>        |
| <b>Accessibility</b>   |   |  |   |                         |
| 22   | Accommodation for Hard-of-Hearing               | Provide accommodations for hard-of-hearing when a public gathering space for gatherings of more than 15 people is constructed or improved.   | <a href="#">M.S. 16C.054</a>  | No <sup>5</sup>         |
| <b>Contracting, Purchasing, and Wages</b>                      |   |  |   |                         |
| 23   | State Designer Selection Board                  | Selection or recommendation of a primary designer by the State Designer Selection Board. <sup>7</sup>  | <a href="#">M.S. 16B.33</a>   | No                      |
| 24   | Competitive Bid                                 | Follow state requirements for competitively bidding contracts.   | <a href="#">M.S. 16C.28;</a> <a href="#">M.S. 471.345</a>   | Yes                     |

<sup>4</sup> Exemptions for local government projects with total construction costs less than \$1.5 million; state government or state university/college projects with total construction costs less than \$750,000; and campgrounds, trails, parking lots, pathways, dams, and other types of projects.

<sup>5</sup> The LCCMR has not fully operationalized this requirement.

<sup>6</sup> Limited to state agency projects.

<sup>7</sup> Limited to state agencies and state universities and colleges. Only applies to projects for more than \$2 million or planning projects with fees more than \$200,000.

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|   |                                     | Description   | Citation  | Current ENRTF Condition |
|---|-------------------------------------|---|---|-------------------------|
| 25  | Responsible Contractor              | Award competitively bid contracts of more than \$50,000 to contractors meeting minimum criteria as a responsible contractor.                                      | <a href="#">M.S. 16C.285</a>  | Yes                     |
| 26  | MINNCOR Products                    | Consider the use of MINNCOR products.   | <a href="#">M.S. 16B.335, subd. 3(c)</a>  | No <sup>8</sup>         |
| 27  | Prevailing Wage                     | Prevailing wage for laborers and workers for construction work of \$25,000 or more.   | <a href="#">M.S. 177.42 to 177.44</a>   | Yes                     |
| 28  | Targeted Group Purchasing           | Promote the use of targeted group businesses in purchasing. <sup>9</sup>  | <a href="#">M.S. 16C.16, subd. 13</a>   | Yes                     |
| 29  | Workforce Certificate of Compliance | Contract with businesses holding a workforce certificate of compliance, confirming an affirmative action plan, from the Department of Human Rights. <sup>10</sup> | <a href="#">M.S. 363A.36</a>  | No                      |
| 30  | Equal Pay Certificate of Compliance | Contract with businesses holding an equal pay certificate of compliance from the Department of Human Rights. <sup>10</sup>  | <a href="#">M.S. 363A.44</a>  | No                      |
| <b>Expenditures</b>                       |                                     |   |   |                         |
| 31  | Art                                 | Allocate up to 1% of total appropriation for artwork in public areas if appropriation for \$500,000 or more.  | <a href="#">M.S. 16B.35</a>   | No                      |
| <b>Ongoing Operations and Maintenance</b> |                                     |   |   |                         |
| 32  | Operational Funding                 | Ability and plan to fund the program intended for the facility.   | <a href="#">M.S. 16A.695, subd. 5;</a>  | No                      |
| 33  | State Operating Budget Impact       | Identification of additional state funds for operations that upon completion, will be needed or requested related to the project.                                 | <a href="#">M.S. 16A.695, subd. 5;</a><br><a href="#">M.S. 16A.86, subd. 3a</a> | No                      |
| 34  | Ongoing Public Program Operation    | Ongoing oversight by the state granting agency to ensure that the intended public program contained in the facility or operated on the property exists.           | <a href="#">M.S. 16A.695, subd. 9</a>   | No                      |
| 35  | Recording Property Restriction      | Recorded use restriction against property that is purchased or improved.  |   | No <sup>11</sup>        |
| 36  | Maintenance and Upkeep              | Duty to maintain and upkeep improved property and avoid actions that decrease value.  |   | No                      |
| 37  | Sale                                | Sale of property subject to certain conditions and state approval.  | <a href="#">M.S. 16A.695</a>  | No <sup>12</sup>        |

<sup>8</sup> The LCCMR has not fully operationalized this requirement.

<sup>9</sup> Targeted group businesses include businesses majority owned and operated by women, persons with a substantial physical disability, or minorities.

<sup>10</sup> Applies to contracts above a certain threshold and businesses of a certain size.

<sup>11</sup> ENRTF projects are subject to use restrictions on land acquired using ENRTF funds ([M.S. 116P.15](#)), but those restrictions do not apply to construction or improvements independent of acquisition.

<sup>12</sup> ENRTF projects are subject to limitations on the sale of land acquired using ENRTF funds ([M.S. 116P.15](#)), but those limitations do not apply to projects that construct or improve facilities on land acquired using other funds.