

This conference committee report
was drafted and approved by the
Revisor's Office

Date _____

CONFERENCE COMMITTEE REPORT ON H. F. No. 886

A bill for an act

relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 2006, sections 16A.695, subdivisions 2, 3, by adding subdivisions; 16A.86, subdivision 3; 116R.01, subdivision 6; 116R.02, subdivisions 1, 2, 4, 5; 116R.03; 116R.05, subdivision 2; 116R.11, subdivision 1; 116R.12, by adding a subdivision; 272.01, subdivision 2; 290.06, subdivision 24; 297A.71, subdivision 10; 360.013, subdivision 39; 360.032, subdivision 1; 360.038, subdivision 4; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 20, subdivision 3; 23, subdivisions 8, 16; Laws 2006, chapter 258, sections 4, subdivision 4; 7, subdivision 11; 21, subdivisions 6, 15; repealing Minnesota Statutes 2006, sections 116R.02, subdivisions 3, 6, 7, 9; 116R.16.

April 27, 2007

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 886 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 886 be further amended as follows:

Delete everything after the enacting clause and insert:

"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 the capital nature, or as authorized by article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise

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2.1 specified, the appropriations in this article are available until the project is completed or
2.2 abandoned subject to Minnesota Statutes, section 16A.642.

2.3 SUMMARY

2.4	<u>University of Minnesota</u>	\$	<u>36,400,000</u>
2.5	<u>Minnesota State Colleges and Universities</u>		<u>34,520,000</u>
2.6	<u>Education</u>		<u>30,240,000</u>
2.7	<u>Natural Resources</u>		<u>4,684,000</u>
2.8	<u>Pollution Control Agency</u>		<u>2,500,000</u>
2.9	<u>Board of Water and Soil Resources</u>		<u>8,165,000</u>
2.10	<u>Zoological Garden</u>		<u>1,526,000</u>
2.11	<u>Administration</u>		<u>15,240,000</u>
2.12	<u>Public Safety</u>		<u>7,550,000</u>
2.13	<u>Transportation</u>		<u>53,673,000</u>
2.14	<u>Metropolitan Council</u>		<u>51,150,000</u>
2.15	<u>Human Services</u>		<u>150,000</u>
2.16	<u>Corrections</u>		<u>6,117,000</u>
2.17	<u>Employment and Economic Development</u>		<u>82,150,000</u>
2.18	<u>Bond Sale Expenses</u>		<u>167,000</u>
2.19	<u>Cancellations</u>		<u>(5,432,000)</u>
2.20	<u>Lewis and Clark</u>		<u>5,282,000</u>
2.21	<u>TOTAL</u>	\$	<u>334,082,000</u>
2.22	<u>Bond Proceeds Fund (General Fund Debt Service)</u>		<u>110,438,000</u>
2.23	<u>Bond Proceeds Fund (User Financed Debt Service)</u>		<u>1,267,000</u>
2.24	<u>State Transportation Fund</u>		<u>30,000,000</u>
2.25	<u>Trunk Highway Fund Bond Proceeds Account</u>		<u>33,420,000</u>
2.26	<u>General Fund</u>		<u>164,389,000</u>
2.27	<u>Bond Proceeds Cancellations</u>		<u>(5,432,000)</u>
2.28			<u>APPROPRIATIONS</u>

2.29 Sec. 2. **UNIVERSITY OF MINNESOTA**

2.30 Subdivision 1. **Total Appropriation** \$ **36,400,000**

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

2.34 Subd. 2. **Higher Education Asset Preservation**
2.35 **and Replacement (HEAPR)** 22,000,000

2.36 To be spent in accordance with Minnesota
2.37 Statutes, section 135A.046.

2.38 Subd. 3. **717 Delaware** 14,400,000

3.1 To renovate the building at 717 Delaware
3.2 for use as a biomedical science research
3.3 facility. This appropriation is intended to
3.4 cover approximately 80 percent of the cost
3.5 of the project. The remaining costs must be
3.6 paid from university sources.

3.7 Sec. 3. **MINNESOTA STATE COLLEGES**
3.8 **AND UNIVERSITIES**

3.9 Subdivision 1. **Total Appropriation** \$ 34,520,000

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

3.13 Subd. 2. **Higher Education Asset Preservation**
3.14 **And Replacement** 30,720,000

3.15 This appropriation is for the purposes
3.16 specified in Minnesota Statutes, section
3.17 135A.046. Of this, \$720,000 is for HVAC
3.18 replacement and asbestos removal at
3.19 the Brooklyn Park campus of Hennepin
3.20 Technical College.

3.21 Subd. 3. **Bemidji State University** 2,000,000

3.22 To acquire property adjacent to Bemidji State
3.23 University.

3.24 Subd. 4. **Fond du Lac Tribal and Community**
3.25 **College** 1,800,000

3.26 To acquire property adjacent to the Fond du
3.27 Lac Tribal and Community College.

3.28 Subd. 5. **Debt Service**

3.29 (a) The board shall pay the debt service on
3.30 one-third of the principal amount of state
3.31 bonds sold to finance projects authorized by
3.32 this section, except for higher education asset
3.33 preservation and replacement, except that,
3.34 where a nonstate match is required, the debt
3.35 service is due on a principal amount equal

4.1 to one-third of the total project cost, less the
4.2 match committed before the bonds are sold.
4.3 After each sale of general obligation bonds,
4.4 the commissioner of finance shall notify the
4.5 board of the amounts assessed for each year
4.6 for the life of the bonds.
4.7 (b) The commissioner shall reduce the
4.8 board's assessment each year by one-third of
4.9 the net income from investment of general
4.10 obligation bond proceeds in proportion to the
4.11 amount of principal and interest otherwise
4.12 required to be paid by the board. The board
4.13 shall pay its resulting net assessment to the
4.14 commissioner of finance by December 1 each
4.15 year. If the board fails to make a payment
4.16 when due, the commissioner of finance
4.17 shall reduce allotments for appropriations
4.18 from the general fund otherwise available
4.19 to the board and apply the amount of the
4.20 reduction to cover the missed debt service
4.21 payment. The commissioner of finance
4.22 shall credit the payments received from the
4.23 board to the bond debt service account in
4.24 the state bond fund each December 1 before
4.25 money is transferred from the general fund
4.26 under Minnesota Statutes, section 16A.641,
4.27 subdivision 10.
4.28 **Subd. 6. Unspent Appropriations**
4.29 (a) Upon substantial completion of a project
4.30 authorized in this section and after written
4.31 notice to the commissioner of finance, the
4.32 Board of Trustees must use any money
4.33 remaining in the appropriation for that
4.34 project for HEAPR under Minnesota
4.35 Statutes, section 135A.046. The Board
4.36 of Trustees must report by February 1 of

5.1 each even-numbered year to the chairs
5.2 of the house and senate committees with
5.3 jurisdiction over capital investments and
5.4 higher education finance, and to the chairs of
5.5 the house Ways and Means Committee and
5.6 the senate Finance Committee, on how the
5.7 remaining money has been allocated or spent.
5.8 (b) The unspent portion of an appropriation
5.9 for a project in this section that is complete,
5.10 is available for higher education asset
5.11 preservation and replacement under this
5.12 subdivision, at the same campus as the
5.13 project for which the original appropriation
5.14 was made and the debt service requirement
5.15 under subdivision 5 is reduced accordingly.
5.16 Minnesota Statutes, section 16A.642, applies
5.17 from the date of the original appropriation to
5.18 the unspent amount transferred.

5.19 **Sec. 4. MINNESOTA DEPARTMENT OF**
5.20 **EDUCATION**

5.21	Subdivision 1. Total Appropriation	\$ 30,240,000
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5.22 To the commissioner of education for the
5.23 purposes specified in this section. The
5.24 appropriations in this section are from the
5.25 general fund.

5.26	<u>Subd. 2. Independent School District No. 11,</u>	
5.27	<u>Anoka-Hennepin</u>	240,000

5.28 For a grant to Independent School District
5.29 No. 11, Anoka-Hennepin, to acquire land
5.30 adjacent to Riverview Elementary School
5.31 and for improvements of a capital nature
5.32 to develop and restore wetland and native
5.33 prairie habitat on the land.

5.34	<u>Subd. 3. Independent School District No. 38,</u>	
5.35	Red Lake	30,000,000

6.1 For a grant to Independent School District
6.2 No. 38, Red Lake, to design, construct,
6.3 furnish, and equip renovation of existing
6.4 facilities and construction of new facilities.
6.5 The project includes renovation of,
6.6 and an addition to, the high school and
6.7 middle school to provide classrooms and
6.8 related facilities for technology education,
6.9 vocational education, physical education,
6.10 and community education, and to provide
6.11 for food services and administrative offices.
6.12 The heating plant and piping for the high
6.13 school and middle school will be upgraded
6.14 and the motor vehicle fuel and propane tanks
6.15 may be relocated. The project may include
6.16 renovation of the Red Lake Elementary
6.17 School to add classrooms and to link it
6.18 to the Early Childhood Learning Center.
6.19 The project may include renovation of the
6.20 Ponemah Elementary School to add a media
6.21 center and Head Start center, add parking,
6.22 improve the bus drop-off, and expand
6.23 playground facilities. The commissioner
6.24 and Independent School District No. 38,
6.25 Red Lake, shall report to the legislature by
6.26 January 10, 2008, on the progress of the
6.27 project funded by the grant. The unexpended
6.28 balance of the appropriation in Laws 2005,
6.29 chapter 20, article 1, section 5, subdivision
6.30 2, as amended by Laws 2006, chapter 258,
6.31 section 42, to design, construct, renovate,
6.32 furnish, equip, and make health and safety
6.33 capital improvements to school facilities may
6.34 be added to this appropriation.

6.35 Sec. 5. NATURAL RESOURCES

6.36 Subdivision 1. Total Appropriation \$ 4,684,000

7.1 To the commissioner of natural resources for
7.2 the purposes specified in this section.
7.3 The appropriations in this section are from
7.4 the general fund.
7.5 The appropriations in this section are subject
7.6 to the requirements of the natural resources
7.7 capital improvement program set forth in
7.8 Minnesota Statutes, section 86A.12, unless
7.9 this section or the statutes referred to in this
7.10 section provide more specific standards,
7.11 criteria, or priorities for projects than
7.12 Minnesota Statutes, section 86A.12.

7.13 Subd. 2. **Stillwater Flood Control Phase III** 200,000

7.14 For a grant under Minnesota Statutes,
7.15 section 103F.161, to the city of Stillwater to
7.16 predesign, design, and begin construction
7.17 of Phase III of the Stillwater flood control
7.18 project, including flood control structures
7.19 and pumping stations. This appropriation
7.20 is not available until the commissioner has
7.21 determined that at least \$2,000,000 has been
7.22 committed from nonstate sources.

7.23 Subd. 3. **Canisteo Mine** 1,300,000

7.24 For a grant to the Western Mesabi Mine
7.25 Planning Board to construct siphons, a
7.26 conveyance system, and other improvements
7.27 to accommodate water level and outflow
7.28 control of the water level in the Canisteo
7.29 mine pit in Itasca County. This appropriation
7.30 does not require a local match. The
7.31 commissioner of natural resources shall be
7.32 responsible to maintain the improvements
7.33 after completion of the project.

7.34 Subd. 4. **Lake Zumbro Restoration** 350,000

7.35 For an agreement with Olmsted and
7.36 Wabasha Counties to design and engineer

8.1 the restoration of Lake Zumbro. This is a
8.2 onetime appropriation and is available until
8.3 June 30, 2009.

8.4 Subd. 5. **Red River Digital Elevation Model** 600,000

8.5 To develop and implement a high-resolution
8.6 digital elevation model for the Red River
8.7 basin.

8.8 Subd. 6. **Greenleaf Lake State Recreation Area** 500,000

8.9 To acquire from willing sellers land
8.10 within the boundaries of Greenleaf Lake
8.11 State Recreation Area, established under
8.12 Minnesota Statutes, section 85.013,
8.13 subdivision 11b.

8.14 Subd. 7. **Fort Snelling Upper Bluff** 500,000

8.15 For a grant to Hennepin County to conduct
8.16 emergency building stabilization at Fort
8.17 Snelling Upper Bluff. This appropriation
8.18 is not available until the commissioner of
8.19 finance has determined that Hennepin County
8.20 has entered into appropriate agreements to
8.21 use sentence-to-serve labor for the project
8.22 that will train sentence-to-serve laborers in
8.23 the skills needed for the work.

8.24 Subd. 8. **State Trail Acquisition and**
8.25 **Development** 1,234,000

8.26 To acquire land for and to construct and
8.27 renovate state trails under Minnesota
8.28 Statutes, section 85.015.
8.29 \$125,000 is for the Cuyuna Lakes Trail, to
8.30 develop a natural surface multiuse trail in the
8.31 Cuyuna Country State Recreation Area.
8.32 \$650,000 is for the Gateway Trail, to replace
8.33 an at-grade crossing of the Gateway Trail at
8.34 Highway 120 with a tunnel.

9.1 \$209,000 is for the Luce Line Trail, to
9.2 acquire land for, develop, and rehabilitate the
9.3 trail.
9.4 \$250,000 is for acquisition of the Browns
9.5 Creek segment of the Willard Munger Trail
9.6 System, currently the right-of-way for the
9.7 Minnesota Zephyr.

9.8 Sec. 6. **POLLUTION CONTROL AGENCY** **\$ 2,500,000**

9.9 **Closed landfill program**

9.10 This appropriation is from the general fund
9.11 for a grant to the city of Albert Lea to
9.12 construct remedial systems at the Albert
9.13 Lea landfill. This includes relocating and
9.14 incorporating waste from the former Albert
9.15 Lea dump owned by the city of Albert
9.16 Lea under Minnesota Statutes, section
9.17 115B.403, which action may be taken by the
9.18 Pollution Control Agency notwithstanding
9.19 the provisions of Minnesota Statutes, section
9.20 115B.403, paragraphs (a) and (b).
9.21 The appropriation in this section is added to
9.22 the amounts for the city of Albert Lea landfill
9.23 funding in Laws 2006, chapter 258, section
9.24 8, subdivision 2.

9.25 Sec. 7. **BOARD OF WATER AND SOIL**
9.26 **RESOURCES**

9.27 Subdivision 1. **Total Appropriation** **\$ 8,165,000**

9.28 To the Board of Water and Soil Resources
9.29 for the purposes specified in this section. The
9.30 appropriations in this section are from the
9.31 general fund.

9.32 Subd. 2. **RIM Conservation Reserve** **8,000,000**

9.33 To acquire conservation easements from
9.34 landowners on marginal lands and to
9.35 construct conservation measures on acquired

10.1 land in order to protect soil and water quality
10.2 and to support fish and wildlife habitat as
10.3 provided in Minnesota Statutes, sections
10.4 103F.501 to 103F.535. Of this, \$1,200,000
10.5 is to implement the program. The board
10.6 must submit to the legislative committees
10.7 with jurisdiction over environment finance
10.8 and capital investment an interim report on
10.9 this program by October 1, 2007, and a final
10.10 report by February 1, 2008.

10.11 **Subd. 3. Lake Titlow Watershed Improvements** 165,000

10.12 \$150,000 is for a grant to the city of Gaylord
10.13 to predesign and design holding ponds
10.14 upstream from Lake Titlow. The design
10.15 must include the best location for the ponds,
10.16 an estimate of the cost of land acquisition
10.17 or easements, construction costs of the
10.18 holding ponds, and the estimated expense
10.19 of maintaining the structures and who will
10.20 be responsible for the expense. The city
10.21 must also coordinate with state and county
10.22 conservation officials to ensure correct
10.23 conservation practices and improvements in
10.24 the watershed district.

10.25 \$15,000 is for a grant to the city of Gaylord to
10.26 purchase open intake tile covers or cones that
10.27 limit soil erosion and chemicals from entering
10.28 the water ditch systems and waterways of
10.29 the Lake Titlow watershed. These water
10.30 control devices must be provided at low
10.31 cost to landowners to promote conservation
10.32 improvement and clean up groundwater.
10.33 Volunteers from the city of Gaylord and local
10.34 clubs and high school students must be used
10.35 to install the water control devices at no cost
10.36 to the landowner.

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11.1	<u>The criteria, limitations, and assessment</u>		
11.2	<u>requirements in Minnesota Statutes, sections</u>		
11.3	<u>103D.701, 103D.705, and 103D.901 do not</u>		
11.4	<u>apply to this subdivision.</u>		
11.5	Sec. 8. <u>MINNESOTA ZOOLOGICAL</u>		
11.6	<u>GARDEN</u>	\$	<u>1,526,000</u>
11.7	<u>Inflow and infiltration emergency abatement</u>		
11.8	<u>This appropriation is from the general fund to</u>		
11.9	<u>the Minnesota Zoological Garden to design</u>		
11.10	<u>and construct improvements to its water</u>		
11.11	<u>management system. The project must be</u>		
11.12	<u>designed to address inflow and infiltration</u>		
11.13	<u>problems associated with the Minnesota</u>		
11.14	<u>Zoo's water discharge flow to the city of</u>		
11.15	<u>Eagan.</u>		
11.16	Sec. 9. <u>ADMINISTRATION</u>		
11.17	<u>Subdivision 1. Total Appropriation</u>	\$	<u>15,240,000</u>
11.18	<u>To the commissioner of administration for</u>		
11.19	<u>the purposes specified in this section.</u>		
11.20	<u>Subd. 2. Exterior Repair of Transportation</u>		
11.21	<u>Building</u>		<u>12,715,000</u>
11.22	<u>This appropriation is from the bond proceeds</u>		
11.23	<u>account in the trunk highway fund to repair</u>		
11.24	<u>and renovate the exterior of the Department</u>		
11.25	<u>of Transportation Building at 395 John</u>		
11.26	<u>Ireland Boulevard in St. Paul.</u>		
11.27	<u>Subd. 3. Property Acquisition</u>		<u>2,325,000</u>
11.28	<u>This appropriation is from the general fund</u>		
11.29	<u>to acquire property at 639 Jackson Street in</u>		
11.30	<u>St. Paul adjacent to the Harold E. Stassen</u>		
11.31	<u>Building, to demolish existing structures</u>		
11.32	<u>on the property, and to develop temporary</u>		
11.33	<u>parking on the site and adjacent areas.</u>		
11.34	<u>Subd. 4. Veterans Memorial, Eden Prairie</u>		<u>200,000</u>

12.1	<u>This appropriation is from the general fund</u>		
12.2	<u>for a grant to the city of Eden Prairie to</u>		
12.3	<u>design and construct improvements of a</u>		
12.4	<u>capital nature for a veterans memorial in</u>		
12.5	<u>Purgatory Creek Recreation Area in the city</u>		
12.6	<u>of Eden Prairie.</u>		
12.7	Sec. 10. <u>PUBLIC SAFETY</u>		
12.8	Subdivision 1. <u>Total Appropriation</u>	\$	<u>7,550,000</u>
12.9	<u>To the commissioner of public safety for the</u>		
12.10	<u>purposes specified in this section.</u>		
12.11	<u>The appropriations in this section are from</u>		
12.12	<u>the general fund.</u>		
12.13	Subd. 2. <u>Anoka County Forensic Crime</u>		
12.14	<u>Laboratory</u>		<u>2,500,000</u>
12.15	<u>Notwithstanding any law to the contrary,</u>		
12.16	<u>this appropriation is for a grant to Anoka</u>		
12.17	<u>County to design, construct, furnish, and</u>		
12.18	<u>equip a regional forensic crime laboratory,</u>		
12.19	<u>for the use of Anoka, Sherburne, and Wright</u>		
12.20	<u>Counties, to be located in Anoka County.</u>		
12.21	<u>This appropriation is not available until the</u>		
12.22	<u>commissioner has determined that at least</u>		
12.23	<u>\$7,500,000 has been committed or will be</u>		
12.24	<u>committed from nonstate sources to the</u>		
12.25	<u>forensic crime laboratory and/or a public</u>		
12.26	<u>safety facility that will contain the forensic</u>		
12.27	<u>crime laboratory.</u>		
12.28	Subd. 3. <u>Gonvick Public Safety Training</u>		
12.29	<u>Center</u>		<u>50,000</u>
12.30	<u>Notwithstanding any law to the contrary, for</u>		
12.31	<u>a grant to the city of Gonvick to predesign a</u>		
12.32	<u>regional emergency training administration</u>		
12.33	<u>center in Gonvick.</u>		
12.34	<u>This appropriation is not available until the</u>		
12.35	<u>commissioner has determined that at least</u>		

13.1	<u>an equal amount has been committed from</u>	
13.2	<u>nonstate sources.</u>	
13.3	Subd. 4. <u>Scott County Public Safety Training</u>	
13.4	<u>Center</u>	<u>1,500,000</u>
13.5	<u>Notwithstanding any law to the contrary, for</u>	
13.6	<u>a grant to Scott County to design, construct,</u>	
13.7	<u>furnish, and equip a regional public safety</u>	
13.8	<u>training center in Scott County.</u>	
13.9	<u>This appropriation is not available until the</u>	
13.10	<u>commissioner has determined that at least</u>	
13.11	<u>an equal amount has been committed from</u>	
13.12	<u>nonstate sources.</u>	
13.13	Subd. 5. <u>Southeastern Minnesota Regional</u>	
13.14	<u>Public Safety Training Center</u>	<u>1,500,000</u>
13.15	<u>Notwithstanding any law to the contrary,</u>	
13.16	<u>to design, construct, furnish, and equip the</u>	
13.17	<u>Southeastern Minnesota Regional Public</u>	
13.18	<u>Safety Training Center in Rochester. The</u>	
13.19	<u>facility must include a live burn training</u>	
13.20	<u>simulator, a driving range, and a weapons</u>	
13.21	<u>training facility.</u>	
13.22	<u>This appropriation is not available until the</u>	
13.23	<u>commissioner has determined that at least</u>	
13.24	<u>an equal amount has been committed from</u>	
13.25	<u>nonstate sources.</u>	
13.26	Subd. 6. <u>Browns Valley Flood Relief</u>	<u>2,000,000</u>
13.27	<u>For a grant to the city of Browns Valley to be</u>	
13.28	<u>used to mitigate damage to public and private</u>	
13.29	<u>property caused by the flooding of March</u>	
13.30	<u>2007. Grant money may be used to repair,</u>	
13.31	<u>buy, or replace private property damaged by</u>	
13.32	<u>flooding.</u>	
13.33	Sec. 11. <u>TRANSPORTATION</u>	
13.34	Subdivision 1. <u>Total Appropriation</u>	\$ <u>53,673,000</u>
13.35	<u>To the commissioner of transportation for the</u>	
13.36	<u>purposes specified in this section.</u>	

14.1	<u>Subd. 2. Local Bridge Replacement and</u>	
14.2	<u>Rehabilitation</u>	<u>30,000,000</u>
14.3	<u>This appropriation is from the bond proceeds</u>	
14.4	<u>account in the state transportation fund as</u>	
14.5	<u>provided in Minnesota Statutes, section</u>	
14.6	<u>174.50, to match federal money and to</u>	
14.7	<u>replace or rehabilitate local deficient bridges.</u>	
14.8	<u>Political subdivisions may use grants made</u>	
14.9	<u>under this section to construct or reconstruct</u>	
14.10	<u>bridges, including:</u>	
14.11	<u>(1) matching federal aid grants to construct</u>	
14.12	<u>or reconstruct key bridges;</u>	
14.13	<u>(2) paying the costs of preliminary</u>	
14.14	<u>engineering and environmental studies</u>	
14.15	<u>authorized under Minnesota Statutes, section</u>	
14.16	<u>174.50, subdivision 6a;</u>	
14.17	<u>(3) paying the costs to abandon an existing</u>	
14.18	<u>bridge that is deficient and in need of</u>	
14.19	<u>replacement, but where no replacement will</u>	
14.20	<u>be made; and</u>	
14.21	<u>(4) paying the costs to construct a road</u>	
14.22	<u>or street to facilitate the abandonment</u>	
14.23	<u>of an existing bridge determined by</u>	
14.24	<u>the commissioner to be deficient, if the</u>	
14.25	<u>commissioner determines that construction</u>	
14.26	<u>of the road or street is more cost efficient</u>	
14.27	<u>than the replacement of the existing bridge.</u>	
14.28	<u>Subd. 3. Port Development Assistance</u>	<u>500,000</u>
14.29	<u>This appropriation is from the general fund</u>	
14.30	<u>for grants under Minnesota Statutes, chapter</u>	
14.31	<u>457A. Any improvements made with the</u>	
14.32	<u>proceeds of these grants must be publicly</u>	
14.33	<u>owned.</u>	
14.34	<u>Subd. 4. Mankato District Headquarters</u>	<u>20,673,000</u>
14.35	<u>This appropriation is from the bond proceeds</u>	
14.36	<u>account in the trunk highway fund to</u>	

15.1 design, construct, furnish, and equip a
15.2 new Department of Transportation district
15.3 headquarters facility in Mankato.

15.4 Subd. 5. **High-Speed Rail Line** 2,000,000

15.5 This appropriation is from the general
15.6 fund for the state's share of a high-speed
15.7 rail line connecting Chicago, LaCrescent,
15.8 Winona, Red Wing, and the Union Depot
15.9 Concourse Multimodal Transit Hub, located
15.10 in downtown St. Paul in the area south
15.11 of Kellogg Boulevard and east of Jackson
15.12 Street. No part of this appropriation
15.13 may be spent to acquire or better capital
15.14 improvements that are located outside the
15.15 state of Minnesota, that may be used from
15.16 time to time outside the state of Minnesota,
15.17 or that are part of a rail corridor that is
15.18 not designated by the Midwest Interstate
15.19 Passenger Rail Compact.

15.20 Subd. 6. **Commuter Rail Extension** 250,000

15.21 This appropriation is from the general
15.22 fund for a grant to the Northstar Corridor
15.23 Development Authority to fund advanced
15.24 preliminary engineering, updated
15.25 environmental documentation, property
15.26 appraisals, and negotiations with the railroad
15.27 to extend commuter rail service on the
15.28 Burlington Northern Santa Fe rail line
15.29 between Big Lake and Rice.

15.30 Subd. 7. **North Shore Express Intercity Rail**
15.31 **Initiative** 250,000

15.32 This appropriation is from the general
15.33 fund for a grant to St. Louis and Lake
15.34 County Regional Rail Authority for
15.35 railroad acquisition and track restoration,
15.36 environmental impact studies, advanced

16.1 corridor planning, preliminary design and
16.2 preliminary engineering, station design,
16.3 analysis of railroad capacity, and easement
16.4 costs for intercity and passenger rail service
16.5 between the city of Duluth and the cities of
16.6 Minneapolis and St. Paul.

16.7 Sec. 12. **METROPOLITAN COUNCIL**

16.8 Subdivision 1. **Total Appropriation** **\$ 51,150,000**

16.9 To the Metropolitan Council for the purposes
16.10 specified in this section. The appropriations
16.11 in this section are from the general fund,
16.12 unless another fund is named.

16.13 Subd. 2. **Central Corridor Transit Way** **40,000,000**

16.14 This appropriation is from the bond proceeds
16.15 fund for preliminary engineering, preliminary
16.16 design, final design, and construction of
16.17 the central corridor transit way between
16.18 downtown Minneapolis and downtown St.
16.19 Paul, terminating in downtown St. Paul at
16.20 the Union Depot.

16.21 This appropriation may not be spent for
16.22 capital improvements within a trunk highway
16.23 right-of-way.

16.24 District heating and district cooling nonprofit
16.25 corporations organized under Minnesota
16.26 Statutes, chapter 317A, that are exempt
16.27 organizations under section 501(c)(3) of
16.28 the United States Internal Revenue Code
16.29 that are public right-of-way users under
16.30 Minnesota Rules, chapter 7819, are eligible
16.31 to receive grants and federal money for
16.32 costs of relocating facilities from public
16.33 rights-of-way to prevent interference with
16.34 public light rail projects.

16.35 Subd. 3. **South St. Paul - Span Arch Bridge** **600,000**

H.F. No. 886, Conference Committee Report - 85th Legislative Session (2007-2008)

17.1	<u>For a grant to the city of South St. Paul</u>	
17.2	<u>to design and construct a span arch bridge</u>	
17.3	<u>under 19th Avenue in South St. Paul for</u>	
17.4	<u>connection with the Dakota County North</u>	
17.5	<u>Urban Regional Trail.</u>	
17.6	<u>Subd. 4. Union Depot</u>	<u>3,000,000</u>
17.7	<u>\$2,500,000 of this appropriation is from the</u>	
17.8	<u>general fund.</u>	
17.9	<u>\$500,000 of this appropriation is from the</u>	
17.10	<u>bond proceeds fund.</u>	
17.11	<u>For a grant to the Ramsey County Regional</u>	
17.12	<u>Railroad Authority to acquire land and</u>	
17.13	<u>structures, to renovate structures, and for</u>	
17.14	<u>design, engineering, and environmental</u>	
17.15	<u>work to revitalize Union Depot for use as a</u>	
17.16	<u>multimodal transit center in St. Paul.</u>	
17.17	<u>Subd. 5. Rush Line Corridor Transit Way</u>	<u>500,000</u>
17.18	<u>For a grant to the Ramsey County Regional</u>	
17.19	<u>Railroad Authority to acquire land for,</u>	
17.20	<u>design, and construct park-and-ride or</u>	
17.21	<u>park-and-pool lots located along the Rush</u>	
17.22	<u>Line Corridor along I-35E/I-35W and</u>	
17.23	<u>Highway 61 from the Union Depot in</u>	
17.24	<u>downtown St. Paul to Hinckley.</u>	
17.25	<u>Subd. 6. Red Rock Corridor Transit Way</u>	<u>500,000</u>
17.26	<u>To design, construct, and furnish</u>	
17.27	<u>park-and-ride lots for the Red Rock</u>	
17.28	<u>Corridor transit way between Hastings and</u>	
17.29	<u>Minneapolis via St. Paul, and any extension</u>	
17.30	<u>between Hastings and Red Wing.</u>	
17.31	<u>Subd. 7. Southwest Corridor Transit Way</u>	<u>500,000</u>
17.32	<u>For a grant to the Hennepin County</u>	
17.33	<u>Regional Rail Authority to prepare a draft</u>	
17.34	<u>environmental impact statement (DEIS)</u>	
17.35	<u>and for preliminary engineering for the</u>	

18.1 Southwest Corridor Transit Way, from the
18.2 Hiawatha light rail in downtown Minneapolis
18.3 to the vicinity of the Southwest Station
18.4 transit hub in Eden Prairie.

18.5 Subd. 8. **Transit Master Plan** 250,000

18.6 (a) The Metropolitan Council, in consultation
18.7 with the regional railroad authorities in the
18.8 metropolitan area, must complete a revision
18.9 of the regional master plan for transit. The
18.10 plan must identify recommended transit
18.11 investments in the metropolitan area through
18.12 2030. The revised plan must be completed
18.13 for presentation to the legislature by February
18.14 20, 2008. The plan must include an analysis
18.15 and comparison of transit way corridors
18.16 and the potential for bus and busway, light
18.17 rail transit, and commuter rail development
18.18 within the corridors based on current and
18.19 projected:

18.20 (1) population and population density;

18.21 (2) employment concentrations and job
18.22 density;

18.23 (3) transit dependent segments of the
18.24 population;

18.25 (4) ridership;

18.26 (5) capital and operating costs;

18.27 (6) land use;

18.28 (7) right-of-way availability; and

18.29 (8) adequacy of existing transportation
18.30 options within the corridor.

18.31 The council and regional rail authorities must
18.32 jointly select the corridors to be included in
18.33 the analysis.

18.34 (b) The plan must include, but is not limited
18.35 to, an analysis of the following corridors:

19.1	<u>(1) the I-94 corridor, beginning at the</u>		
19.2	<u>Union Depot Concourse Multimodal</u>		
19.3	<u>Transit Hub, located in downtown St. Paul</u>		
19.4	<u>in the area south of Kellogg Boulevard</u>		
19.5	<u>and east of Jackson Street, extending</u>		
19.6	<u>eastward through Washington County</u>		
19.7	<u>to the Minnesota-Wisconsin border, and</u>		
19.8	<u>terminating in St. Croix County, Wisconsin;</u>		
19.9	<u>and</u>		
19.10	<u>(2) the I-494 corridor, on or near</u>		
19.11	<u>marked Interstate Highway 494, from</u>		
19.12	<u>Minneapolis-St. Paul International Airport to</u>		
19.13	<u>a transit station on the proposed Southwest</u>		
19.14	<u>Corridor transit way.</u>		
19.15	<u>Subd. 9. Metropolitan Regional Parks Capital</u>		
19.16	<u>Improvements</u>		<u>5,800,000</u>
19.17	<u>Saint Paul - National Great River Park</u>		
19.18	<u>\$3,800,000 is for a grant to the city of St.</u>		
19.19	<u>Paul to design, construct, furnish, and equip</u>		
19.20	<u>river park development and redevelopment</u>		
19.21	<u>infrastructure in National Great River Park</u>		
19.22	<u>along the Mississippi River in St. Paul.</u>		
19.23	<u>Fridley - Springbrook Nature Center</u>		
19.24	<u>\$2,000,000 is from the general fund</u>		
19.25	<u>for a grant to the city of Fridley to</u>		
19.26	<u>predesign, design, construct, and equip</u>		
19.27	<u>the redevelopment and expansion of</u>		
19.28	<u>the Springbrook Nature Center. This</u>		
19.29	<u>appropriation is not available until the</u>		
19.30	<u>commissioner has determined that at least</u>		
19.31	<u>an equal amount has been committed from</u>		
19.32	<u>nonstate sources.</u>		
19.33	Sec. 13. <u>HUMAN SERVICES</u>	<u>\$</u>	<u>150,000</u>
19.34	<u>West central secured treatment facility</u>		
19.35	<u>This appropriation is from the general fund</u>		
19.36	<u>to the commissioner of human services</u>		

20.1 for a grant to Pope County to predesign
20.2 a multicounty regional secured treatment
20.3 facility in west central Minnesota. The
20.4 commissioner shall prepare a report to the
20.5 legislature assessing the need for and the
20.6 viability of the facility and the benefits
20.7 derived from a coordinated multicounty,
20.8 regional approach to local chemical
20.9 dependency needs in west central Minnesota.
20.10 The report is due to the legislature by
20.11 February 1, 2008.

20.12 Sec. 14. **CORRECTIONS**

20.13 Subdivision 1. **Total Appropriation** **\$ 6,117,000**

20.14 To the commissioner of administration for
20.15 the purposes specified in this section. The
20.16 appropriations in this section are from the
20.17 general fund.

20.18 Subd. 2. **Minnesota Correctional Facility - Oak**
20.19 **Park Heights**

20.20 (a) **Perimeter system renovation** **3,875,000**

20.21 To renovate the perimeter system at the
20.22 Oak Park Heights Correctional Facility
20.23 by replacing the security fence system for
20.24 the inside wall of the main prison yard
20.25 and exterior fence, replacing the perimeter
20.26 lighting system and the security razor
20.27 ribbon, and installing cameras and lighting to
20.28 correspond to the perimeter system's added
20.29 security zones.

20.30 (b) **Ventilation system renovation** **2,242,000**

20.31 To renovate the ventilation system at the
20.32 Oak Park Heights Correctional Facility by
20.33 demolishing sections of existing ductwork,
20.34 installing new ductwork, installing an
20.35 ultraviolet lighting system, installing system
20.36 air controls and electronics, and cleaning

21.1 or otherwise renovating sections of existing
21.2 ductwork.

21.3 Sec. 15. **EMPLOYMENT AND ECONOMIC**
21.4 **DEVELOPMENT**

21.5 Subdivision 1. **Total Appropriation** \$ 82,150,000

21.6 To the commissioner of employment and
21.7 economic development or other named
21.8 agency for the purposes specified in this
21.9 section.

21.10 Subd. 2. **Bayport Storm Sewer** 150,000

21.11 To the Public Facilities Authority for a grant
21.12 to the city of Bayport for the Middle St. Croix
21.13 River Watershed Management Organization
21.14 to complete construction documents and
21.15 bidding for the sewer system extending from
21.16 Minnesota Department of Natural Resources
21.17 pond 82-310P (the prison pond) in Bayport
21.18 through the Stillwater prison grounds to the
21.19 St. Croix River.

21.20 This appropriation is in addition to the
21.21 appropriations in Laws 2000, chapter 492,
21.22 article 1, section 21, subdivision 8, to
21.23 the commissioner of corrections and in
21.24 Laws 2005, chapter 20, article 1, section
21.25 23, subdivision 3, to the Public Facilities
21.26 Authority, for the same project.

21.27 Subd. 3. **DECC Arena** 37,000,000

21.28 This appropriation is from the general fund
21.29 for a grant to the Duluth Entertainment
21.30 and Convention Center Authority to
21.31 design, construct, furnish, and equip capital
21.32 improvements and renovations to the Duluth
21.33 Entertainment and Convention Center. The
21.34 capital improvements and renovations must
21.35 include an approximately 217,446 square
21.36 foot arena with an ice sheet of at least 200

22.1 feet by 85 feet; trade show and concert space;
22.2 seating capacity of at least 6,630 with suites,
22.3 club seats, and concessions; state-of-the-art
22.4 locker and training facilities; and accessible
22.5 and expanded media space. Notwithstanding
22.6 any law to the contrary, the authority may
22.7 adopt a design and construction procurement
22.8 process as determined by the authority, in
22.9 its discretion, to be in the public interest in
22.10 connection with the Duluth Entertainment
22.11 and Convention Center improvements.

22.12 Subd. 4. **Itasca County - Steel Plant**
22.13 **Infrastructure**

30,000,000

22.14 This appropriation is from the general
22.15 fund and is in addition to the appropriation
22.16 in Laws 2006, chapter 258, section 21,
22.17 subdivision 14.

22.18 For a grant to Itasca County for public
22.19 infrastructure needed to support a steel plant
22.20 in Itasca County. Grant money may be used
22.21 by Itasca County to acquire right-of-way and
22.22 mitigate loss of wetlands and runoff of storm
22.23 water, to predesign, design, construct, and
22.24 equip roads and rail lines, and, in cooperation
22.25 with municipal public utilities, to predesign,
22.26 design, construct, and equip natural gas
22.27 pipelines, electric infrastructure, water
22.28 supply systems, and wastewater collection
22.29 and treatment systems.

22.30 Subd. 5. **Rochester - Mayo Civic Center**
22.31 **Complex**

2,500,000

22.32 This appropriation is from the general fund
22.33 for a grant to the city of Rochester to design
22.34 the renovation and expansion of the Mayo
22.35 Civic Center Complex.

22.36 Subd. 6. **Wildlife Rehabilitation Center**

500,000

23.1	<u>This appropriation is from the general fund</u>	
23.2	<u>for a grant to the Wildlife Rehabilitation</u>	
23.3	<u>Center of Minnesota to retire loans incurred</u>	
23.4	<u>by the center for construction of its facility in</u>	
23.5	<u>the city of Roseville, and for completion of</u>	
23.6	<u>educational technology infrastructure at the</u>	
23.7	<u>center.</u>	
23.8	<u>Subd. 7. Rice Street Bridge</u>	<u>2,000,000</u>
23.9	<u>This appropriation is from the general</u>	
23.10	<u>fund for a grant to Ramsey County for</u>	
23.11	<u>the preliminary planning, design, and</u>	
23.12	<u>engineering of the Rice Street bridge where</u>	
23.13	<u>it crosses marked Trunk Highway 36 in</u>	
23.14	<u>Ramsey County.</u>	
23.15	<u>Subd. 8. St. Cloud State University - National</u>	
23.16	<u>Hockey Center</u>	<u>10,000,000</u>
23.17	<u>This appropriation is from the general fund</u>	
23.18	<u>to the Board of Trustees of the Minnesota</u>	
23.19	<u>State Colleges and Universities to predesign,</u>	
23.20	<u>design, construct, furnish, and equip the</u>	
23.21	<u>renovation of the National Hockey Center.</u>	
23.22	<u>Sec. 16. HOUSING FINANCE AGENCY</u>	
23.23	<u>Browns Valley flooding</u>	
23.24	<u>The Housing Finance Agency may use</u>	
23.25	<u>the disaster relief contingency fund</u>	
23.26	<u>established under Minnesota Statutes, section</u>	
23.27	<u>462A.21, subdivision 29, to assist with the</u>	
23.28	<u>rehabilitation or replacement of housing</u>	
23.29	<u>damaged as a result of the Browns Valley</u>	
23.30	<u>flooding of March 2007, notwithstanding</u>	
23.31	<u>that the area is not included in a presidential</u>	
23.32	<u>declaration of major disaster.</u>	
23.33	<u>Sec. 17. BOND SALE EXPENSES</u>	<u>\$ 167,000</u>
23.34	<u>To the commissioner of finance for bond sale</u>	
23.35	<u>expenses under Minnesota Statutes, section</u>	

24.1 16A.641, subdivision 8. Of this amount,
24.2 \$32,000 is from the bond proceeds account
24.3 in the trunk highway fund.

24.4 Sec. 18. **BOND SALE SCHEDULE**

24.5 The commissioner of finance shall schedule
24.6 the sale of state general obligation bonds so
24.7 that, during the biennium ending June 30,
24.8 2009, no more than \$918,620,000 will need
24.9 to be transferred from the general fund to the
24.10 state bond fund to pay principal and interest
24.11 due and to become due on outstanding
24.12 state general obligation bonds. During
24.13 the biennium, before each sale of state
24.14 general obligation bonds, the commissioner
24.15 of finance shall calculate the amount of
24.16 debt service payments needed on bonds
24.17 previously issued and shall estimate the
24.18 amount of debt service payments that will
24.19 be needed on the bonds scheduled to be
24.20 sold. The commissioner shall adjust the
24.21 amount of bonds scheduled to be sold so as
24.22 to remain within the limit set by this section.
24.23 The amount needed to make the debt service
24.24 payments is appropriated from the general
24.25 fund as provided in Minnesota Statutes,
24.26 section 16A.641.

24.27 Sec. 19. **BOND SALE AUTHORIZATION.**

24.28 Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act
24.29 from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the
24.30 state in an amount up to \$111,705,000 in the manner, upon the terms, and with the effect
24.31 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
24.32 Constitution, article XI, sections 4 to 7.

24.33 Subd. 2. **Transportation fund bond proceeds account.** To provide the money
24.34 appropriated in this article from the state transportation fund, the commissioner of finance
24.35 shall sell and issue bonds of the state in an amount up to \$30,000,000 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. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Subd. 3. **Trunk highway bonds.** To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of finance shall sell and issue trunk highway bonds in an amount up to \$33,420,000 in the manner, on the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to the bond proceeds account in the trunk highway fund.

Sec. 20. **BOND SALE AUTHORIZATION REDUCTIONS.**

The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, is reduced by \$2,000,000.

The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by \$3,432,000.

Sec. 21. Minnesota Statutes 2006, section 85.013, is amended by adding a subdivision to read:

Subd. 11b. Greenleaf Lake State Recreation Area, which is hereby renamed from Greenleaf Lake State Park.

Sec. 22. Minnesota Statutes 2006, section 116R.01, subdivision 6, is amended to read:

Subd. 6. **Project.** "Project" means the facilities or any property described in section 116R.02, subdivision 5 ~~or 6, as applicable.~~

Sec. 23. Minnesota Statutes 2006, section 116R.02, subdivision 1, is amended to read:

Subdivision 1. **Sale authorization.** The commissioner of finance, upon the request of the governor, may issue and sell revenue bonds as provided under sections 116R.01 to ~~116R.16~~ 116R.15 in one or more series or issues for the purposes provided in this section in the aggregate principal amount of up to \$350,000,000, except for refunding bonds. Proceeds of the bonds and investment income on the proceeds are appropriated in the amounts and for the purposes specified in subdivisions 2, ~~and 5, and 6~~ and section 116R.04.

Sec. 24. Minnesota Statutes 2006, section 116R.02, subdivision 2, is amended to read:

Subd. 2. **Loan, lease, and revenue agreements.** (a) The commissioner may loan the proceeds of the bonds, make other loans or enter into lease agreements or other revenue agreements for the ~~projects~~ project described in ~~subdivisions 5 and 6~~ subdivision 5. The commissioner may provide for servicing of the loans and agreements, the times they are payable and the amounts of payments, the amount of the loans and agreements, their security, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The commissioner shall seek to obtain the best available terms and security for the loans or agreements. The terms and security must be reasonably determined by the commissioner to be adequate and of the kind and degree which would be required by an investment banking or other financial institution. The facilities described in ~~subdivisions 5 and 6~~ subdivision 5 must be pledged as collateral for the loans made and bonds issued under sections 116R.01 to ~~116R.16~~ 116R.15.

(b) To reduce the risk that state general funds will be needed to pay debt service on the state guaranteed bonds, the commissioner must require that the financing arrangements include a coverage test satisfactory to the commissioner so that the sum of the value of the assets and other security pledged to the payment of bonds or the rent due under any lease of the project and taken into account by the commissioner is no less than 125 percent of the difference between the outstanding state guaranteed bonds, and any cash collateral held in a debt service reserve account and pledged to the payment of principal and interest for the state guaranteed bonds and no other bonds. Assets and other security that may be taken into account include (1) net unencumbered value of the project and any collateral or third party guaranty, including a letter of credit, pledged or otherwise furnished by a user of the project or by a benefited airline company as security for the payment of rent, (2) bond proceeds, including earnings thereon, and (3) prepayments of rent, after making such adjustments the commissioner determines to be appropriate to take into account any outstanding bonds secured by a lien on the project or rent that is prior to the lien securing the state guaranteed bonds, but excluding any cash collateral deducted from the outstanding state guaranteed bonds in applying the coverage test. The commissioner may adopt the method of valuing the assets and other security as the commissioner determines to be appropriate, including valuation of the project at its original cost less depreciation.

Sec. 25. Minnesota Statutes 2006, section 116R.02, subdivision 4, is amended to read:

Subd. 4. **Security.** (a) If so provided in the commissioner's order or any indenture authorizing the applicable series of bonds, up to \$125,000,000 principal amount of bonds for the facility described in subdivision 5, ~~up to \$50,000,000 principal amount of bonds~~

~~for the facility described in subdivision 6,~~ and any bonds issued to refund these bonds may be secured by either of the following methods:

(1) upon the occurrence of any deficiency in a debt service reserve fund for a series of bonds as provided in section 116R.13, subdivision 3, the commissioner shall issue and sell deficiency bonds in a principal amount not to exceed ~~(i) \$125,000,000 for facilities described in subdivision 5 and (ii) \$50,000,000 for the facilities described in subdivision 6;~~ or

(2) the bonds may be directly secured by a pledge of the full faith, credit, and taxing power of the state and issued as general obligation revenue bonds of the state in accordance with the Minnesota Constitution, article XI, sections 4 to 7. In no event may the security provided by this paragraph extend in whole or part to any series of bonds other than the initial series of bonds so secured and any series of bonds issued to refund these bonds.

Deficiency bonds and bonds issued under clause (2) must be issued in accordance with and subject to sections 16A.641, 16A.66, 16A.672, and 16A.675, except for section 16A.641, subdivision 5, except as otherwise provided in Laws 1991, chapter 350, article 1, and except that the bonds may be sold at public or private sale at a price or prices determined by the commissioner as provided in section 116R.13, subdivision 3.

(b) The commissioner may request St. Louis County to pay or secure payment of principal and interest due on up to \$12,600,000 principal amount of revenue bonds for the facility described in subdivision 5 ~~and principal and interest due on up to \$15,000,000 principal amount of revenue bonds for the facility described in subdivision 6.~~ At the request of the commissioner, St. Louis County shall, by resolution of its county board, unconditionally and irrevocably pledge as a general obligation, its full faith, credit, and taxing power to pay or secure payment of principal and interest due on the principal amount or amounts requested by the commissioner. The general obligation and pledge of St. Louis County are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the St. Louis County general obligation is not subject to and shall not be taken into account for purposes of any levy limitations. The general obligation and the bonds secured by the general obligation may be issued without an election. Except for sections 475.61 and 475.64, chapter 475 does not apply to the general obligation or to the bonds secured by the general obligation.

(c) The commissioner may request the city of Duluth to pay or secure payment of principal and interest due on up to \$47,600,000 principal amount of revenue bonds for the facility described in subdivision 5. At the request of the commissioner, the city of Duluth shall pledge specified revenues of the city, as provided in Laws 1991, chapter 350, article

1, section 24, to pay principal and interest due on the principal amount requested by the commissioner.

(d) Bonds and deficiency bonds issued under sections 116R.01 to ~~116R.16~~ 116R.15 and any indenture entered into in connection with the issuance of the bonds are not subject to section 16B.06.

Sec. 26. Minnesota Statutes 2006, section 116R.02, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds; aircraft maintenance facility.** The proceeds of the bonds issued in a principal amount not to exceed \$250,000,000 may be used to finance the costs related to the planning, construction, improvement, or equipping of a heavy maintenance facility for aircraft and facilities subordinate and related to the facility to be located at the Duluth International Airport and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The bond proceeds are appropriated to the commissioner for the purposes specified in this subdivision. ~~The facility may be owned by the Metropolitan Airports Commission and leased for the benefit of one or more airline companies for use as a heavy maintenance base.~~ With the approval of the commissioner, the owner of the facility may place a mortgage or security interest lien on the facility or any interest in or part of the facility. The mortgage is exempt from the mortgage registry tax imposed under chapter 287. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility, or any part of the facility, may be leased or sold to another person for any lawful purpose, subject to the approval of the commissioner. The approval of the commissioner is not required if the bond trustee has taken control of the facility as a result of a default.

The ownership of the facility by the owner may create no liability of the owner for payment of the debt service on the bonds if so determined by the commissioner. The owner may require as a condition of entering into the lease of the facility that the lessee or other party pay all costs, expenses, or any other obligations of ownership of the facility.

No revenues derived from the lease of the project may be used other than for a purpose related to the project, including its operation, administration, maintenance, improvement, or financing.

Sec. 27. Minnesota Statutes 2006, section 116R.03, is amended to read:

116R.03 GENERAL POWERS.

For the purpose of exercising the specific powers authorized under sections 116R.01 to ~~116R.16~~ 116R.15 and effectuating the other purposes of sections 116R.01 to ~~116R.16~~, 116R.15, the commissioner may:

(1) acquire, hold, pledge, assign, lease, or dispose of real or personal property or any interest in property, including a mortgage or security interest in a facility described in section 116R.02, subdivision 5 ~~or 6~~;

(2) enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 116R.01 to ~~116R.16~~ 116R.15;

(3) acquire real property, or an interest therein, by purchase or foreclosure, where the acquisition is necessary or appropriate;

(4) enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of any facility financed in whole or in part by the proceeds of bonds or loans;

(5) enter into agreements with other appropriate federal, state, or local governmental units; ~~and~~

(6) contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms the commissioner considers necessary or desirable, to assist in the exercise of any of the powers authorized under sections 116R.01 to ~~116R.16~~ 116R.15 and to carry out the objectives of sections 116R.01 to ~~116R.16~~ 116R.15 and may pay for the services from bond proceeds or otherwise available department money; and

(7) in the event of a default under the loan, lease agreement, or other revenue agreement, the facility, or any part of the facility, may be leased or sold to another person for any lawful purpose, subject to the approval of the commissioner. The approval of the commissioner is not required if the bond trustee has taken control of the facility as a result of a default.

Sec. 28. Minnesota Statutes 2006, section 116R.05, subdivision 2, is amended to read:

Subd. 2. **Sources of payment.** Except as otherwise provided for bonds issued under section 116R.02, subdivision 4, paragraph (a), the bonds and interest payable thereon are payable solely from the following sources and are irrevocably appropriated for that purpose, but only to the extent provided in the order or indenture authorizing or securing the bonds:

(1) revenues of any nature derived from the ownership, lease, operation, sale, foreclosure, or refinancing of a project described in section 116R.02, subdivision 5 ~~or 6~~;

(2) repayments of any loans made under sections 116R.01 to ~~116R.16~~ 116R.15;

(3) proceeds of any bonds or deficiency bonds;

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(4) amounts in any account or accounts authorized by section 116R.11 or 116R.12;

(5) amounts paid by St. Louis County under its obligations referred to in section 116R.02, subdivision 4, and amounts paid under Laws 1991, chapter 350, article 1, section 24 or 25, for the payment of bonds or interest thereon;

(6) amounts payable under any insurance policy, guaranty, letter of credit, or other instrument securing the bonds;

(7) any other revenues which the commissioner may pledge but excluding state appropriations unless the appropriation was specifically designated for that purpose; and

(8) investment income on any of the sources specified in clauses (1) to (7).

Sec. 29. Minnesota Statutes 2006, section 116R.11, subdivision 1, is amended to read:

Subdivision 1. **Funds.** The commissioner or any trustee appointed by the commissioner under sections 116R.01 to ~~116R.16~~ 116R.15 shall establish and maintain an aircraft facilities fund for ~~each of the projects~~ the project described in section 116R.02, ~~subdivisions 5 and 6~~ subdivision 5. Except for amounts required by the commissioner to be deposited in a debt service account, proceeds of each issue of bonds authorized under section 116R.02, subdivision 1, must be deposited in a separate account, debt service reserve, or other account designated by the commissioner. Money in the account is appropriated to the commissioner. The commissioner or the owner of ~~each~~ the project described in section 116R.02, ~~subdivisions 5 and 6~~ subdivision 5, may withdraw proceeds of bonds for application to the appropriated purposes in the manner provided by order of the commissioner or in any indenture authorized by order of the commissioner. The commissioner may establish whatever accounts might be necessary to carry out sections 116R.01 to ~~116R.16~~ 116R.15. All deposits into and disbursements from accounts for the purposes and from the sources of revenue authorized by sections 116R.01 to ~~116R.16~~ 116R.15 and provided in an order of the commissioner or an indenture or other agreement authorized by the commissioner are appropriated for that purpose.

Sec. 30. Minnesota Statutes 2006, section 116R.12, is amended by adding a subdivision to read:

Subd. 4. **Approval.** The approval of the commissioner is not required if the bond trustee has taken control of the facility as a result of a default.

Sec. 31. Minnesota Statutes 2006, section 272.01, subdivision 2, is amended to read:

Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association,

or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to:

(1) property leased or used as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 469, municipal auditorium, municipal parking facility, municipal museum, or municipal stadium;

(2) property of an airport owned by a city, town, county, or group thereof which is:

(i) leased to or used by any person or entity including a fixed base operator; and

(ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods, services, or facilities to the airport or general public;

the exception from taxation provided in this clause does not apply to:

(i) property located at an airport owned or operated by the Metropolitan Airports Commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or

(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business; ~~or~~

~~(iii) facilities leased by a private individual, association, or corporation in connection with a business for profit, that consists of a major jet engine repair facility financed, in whole or part, with the proceeds of state bonds and located in a tax increment financing district;~~

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport;

(4) property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the Metropolitan Airports Commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes is not exempt;

(5) property leased, loaned, or otherwise made available to a private individual, corporation, or association under a cooperative farming agreement made pursuant to section 97A.135; or

(6) property leased, loaned, or otherwise made available to a private individual, corporation, or association under section 272.68, subdivision 4.

(c) Taxes imposed by this subdivision are payable as in the case of personal property taxes and shall be assessed to the lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county, and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

(d) The tax on real property of the state or any of its political subdivisions that is leased by a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

Sec. 32. Minnesota Statutes 2006, section 290.06, subdivision 24, is amended to read:

Subd. 24. **Credit for job creation.** (a) A corporation that leases and operates a heavy maintenance base for aircraft that is owned by the state of Minnesota or one of its political subdivisions, ~~or an engine repair facility described in section 116R.02, subdivision 6, or both,~~ may take a credit against the tax due under this chapter.

(b) For the first taxable year when the facility has been in operation for at least three consecutive months, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year. For each of the succeeding four taxable years, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year.

(c) For the first taxable year in which the credit is allowed for the facility, the credit must not exceed 80 percent of the wages paid to or incurred for persons employed by the taxpayer at the facility during the taxable year. For the succeeding four taxable years, the credit must not exceed 20 percent of the wages paid to or incurred for persons employed by the taxpayer at the facility during the taxable year. For purposes of this section, "wages" has the meaning given under section 3121(b) of the Internal Revenue Code, except the limitation to the contribution and benefit base does not apply.

(d) If the credit provided under this subdivision exceeds the tax liability of the corporation for the taxable year, the excess amount of the credit may be carried over to each of the 20 taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than 20 years after the taxable year in which the credit was earned.

(e) If an unused portion of the credit remains at the end of the carryover period under paragraph (d), the commissioner shall refund the unused portion to the taxpayer. The provisions of this paragraph do not apply if the corporation that earned the credit under this subdivision or a successor in interest to the corporation filed for bankruptcy protection.

Sec. 33. Minnesota Statutes 2006, section 297A.71, subdivision 10, is amended to read:

Subd. 10. **Aircraft heavy maintenance facility.** Materials, equipment, and supplies used or consumed in constructing a heavy maintenance facility for aircraft that is to be owned by the state of Minnesota or one of its political subdivisions and leased by an airline company, ~~or an aircraft engine repair facility described in section 116R.02, subdivision 6,~~ are is exempt. Except for equipment owned or leased by a contractor, all machinery, equipment, and tools necessary to the construction and equipping of that facility in order to provide those services are also exempt.

Sec. 34. Minnesota Statutes 2006, section 360.013, subdivision 39, is amended to read:

Subd. 39. **Airport.** "Airport" means any area of land or water, except a restricted landing area, which is designed for the landing and takeoff of aircraft, whether or not facilities are provided for the shelter, surfacing, or repair of aircraft, or for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport buildings or other airport facilities, ~~including facilities described in section 116R.02, subdivision 6,~~ and all appurtenant rights-of-way, whether heretofore or hereafter established. The operation and maintenance of airports is an essential public service.

Sec. 35. Minnesota Statutes 2006, section 360.032, subdivision 1, is amended to read:

Subdivision 1. **Acquisition.** Every municipality is hereby authorized, through its governing body, to acquire property, real or personal, for the purpose of establishing, constructing, and enlarging airports and other air navigation facilities and to acquire, establish, construct, enlarge, improve, maintain, equip, operate, and regulate such airports and other air navigation facilities and structures and other property incidental to their operation, either within or without the territorial limits of such municipality and within

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or without this state; to make, prior to any such acquisition, investigations, surveys, and plans; to construct, install, and maintain airport facilities for the servicing ~~and repair of~~ aircraft ~~and facilities authorized under section 116R.02, subdivision 6,~~ and for the comfort and accommodation of air travelers; and to purchase and sell equipment and supplies as an incident to the operation of its airport properties. It may not acquire, or take over any airport or other air navigation facility owned or controlled by any other municipality of the state without the consent of such municipality. It may use for airport purposes any available property that is now or may at any time hereafter be owned or controlled by it. Such air navigation facilities as are established on airports shall be supplementary to and coordinated in design and operation with those established and operated by the federal and state governments. It may assist other municipalities in the construction of approach roads leading to any airport or restricted landing area owned or controlled by it. ~~In financing the facilities authorized under section 116R.02, subdivision 6, it may borrow from the state or otherwise arrange for financing of the facilities and for that purpose may exercise any powers vested in a municipality under sections 469.152 to 469.165.~~

Sec. 36. Minnesota Statutes 2006, section 360.038, subdivision 4, is amended to read:

Subd. 4. **Leased property.** To lease for a term not exceeding 30 years such airports; or ~~or other air navigation facilities or facilities authorized under section 116R.02, subdivision 6,~~ or real property acquired or set apart for airport purposes, to private parties, any municipal or state government or the national government, or any department of either thereof, for operation; to lease or assign for a term not exceeding 99 years to private parties, any municipal or state government, or the national government, or any department of either thereof, for operation or use consistent with the purposes of sections 360.011 to 360.076, space, area, improvements, or equipment on such airports; notwithstanding any other provisions in this subdivision, to lease ground area for a term not exceeding 99 years to private persons for the construction of structures which in its opinion are essential and necessary to serve aircraft, persons, and things engaged in or incidental to aeronautics, including but not limited to shops, hangars, offices, restaurants, hotels, motels, factories, storage space, and any and all other structures necessary or essential to and consistent with the purposes of sections 360.011 to 360.076, to sell any part of such airports, other air navigation facilities, or real property to any municipal or state government, or to the United States or any department or instrumentality thereof, for aeronautical purposes incidental thereto, and to confer the privileges of concessions of supplying upon its airports goods, commodities, things, services, and facilities; provided that in each case in so doing the public is not deprived of its rightful, equal, and uniform use thereof.

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35.1 Sec. 37. Laws 2005, chapter 20, article 1, section 7, subdivision 2, is amended to read:

35.2 Subd. 2. **Flood Hazard Mitigation Grants** 27,000,000

35.3 For the state share of flood hazard

35.4 mitigation grants for publicly owned capital

35.5 improvements to prevent or alleviate flood

35.6 damage under Minnesota Statutes, section

35.7 103F.161.

35.8 The commissioner shall determine project

35.9 priorities as appropriate based on need.

35.10 This appropriation includes money for

35.11 the following projects: Ada, Austin,

35.12 Breckenridge, Browns Valley, Canisteo

35.13 Mine, Cannon Falls, Crookston, Dawson,

35.14 East Grand Forks, Grand Marais Creek,

35.15 Granite Falls, Green Meadow Dam, Inver

35.16 Grove Heights, Little McDonald Lake,

35.17 Malung, Manston Slough, Minneapolis,

35.18 Montevideo, Oakport, Palmville, Roseau

35.19 River, St. Louis Park, Two River Ross

35.20 Impoundment, Warren, and Whiskey Creek.

35.21 \$2,000,000 is for Austin for identified

35.22 capital improvement projects, and any

35.23 other authorized federal or state flood

35.24 mitigation projects in the area designated

35.25 under Presidential Declaration of Major

35.26 Disaster, DR-1569, whether included in the

35.27 original declaration or added later by federal

35.28 government action. The area currently

35.29 included in DR-1569 includes territory

35.30 within the counties of Dodge, Faribault,

35.31 Freeborn, Martin, Mower, Olmsted, and

35.32 Steele.

35.33 \$175,000 is for the state share of a grant to

35.34 the city of Cannon Falls for predesign and

35.35 design of capital improvements to alleviate

35.36 flooding caused by runoff from the bluffs and

36.1 the flooding of the Little Cannon River and
36.2 the Cannon River.
36.3 For any project listed in this subdivision that
36.4 is not ready to proceed or does not expend all
36.5 the money allocated to it, the commissioner
36.6 may allocate that project's money to a project
36.7 on the commissioner's priority list.
36.8 To the extent that the cost of a project in
36.9 Ada, Austin, Breckenridge, Browns Valley,
36.10 Dawson, East Grand Forks, Granite Falls,
36.11 Montevideo, Oakport Township, Roseau, or
36.12 Warren exceeds two percent of the median
36.13 household income in the municipality
36.14 multiplied by the number of households in
36.15 the municipality, this appropriation is also
36.16 for the local share of the project.
36.17 There is no local share required for the
36.18 Canisteo Mine project.
36.19 For grants for Roseau River wildlife
36.20 management area, Palmville, and Malung,
36.21 the state share must be \$3 for each \$1 of
36.22 nonstate contribution.
36.23 Notwithstanding the grant expiration date of
36.24 June 30, 2002, the commissioner of natural
36.25 resources shall extend until June 30, 2007,
36.26 the expiration date of a grant made to the
36.27 city of Stillwater under Minnesota Statutes,
36.28 section 103F.161, used to match certain
36.29 federal appropriations for flood hazard
36.30 mitigation.

36.31 Sec. 38. Laws 2005, chapter 20, article 1, section 7, subdivision 21, is amended to read:

36.32 Subd. 21. **State Park and Recreation Area**
36.33 **Acquisition**

2,500,000

36.34 For acquisition of land under Minnesota
36.35 Statutes, section 86A.05, subdivisions 2 and
36.36 3, from willing sellers of private lands within

37.1 state park and recreation area boundaries
37.2 established by law.
37.3 \$500,000 is to purchase land within the
37.4 boundaries of Greenleaf Lake state ~~park~~
37.5 recreation area in Meeker county.

37.6 Sec. 39. Laws 2005, chapter 20, article 1, section 17, is amended to read:

37.7 Sec. 17. **PUBLIC SAFETY** 642,000

37.8 To the commissioner of public safety for
37.9 a grant to the Economic Development
37.10 Authority in and for the city of Blue Earth
37.11 to acquire land for and to predesign, design,
37.12 construct, furnish, and equip a fire and
37.13 police station. This appropriation is not
37.14 available until the commissioner of finance
37.15 has determined that at least an equal amount
37.16 has been committed to the project from
37.17 nonstate sources.

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

37.19 Sec. 40. Laws 2005, chapter 20, article 1, section 20, subdivision 3, is amended to read:

37.20 Subd. 3. **Systemwide Redevelopment, Reuse,**
37.21 **or Demolition** 17,600,000

37.22 To demolish or improve surplus,
37.23 nonfunctional, or deteriorated facilities and
37.24 infrastructure at Department of Human
37.25 Services campuses statewide.
37.26 (a) Up to \$8,600,000 may be used to
37.27 predesign, design, construct, furnish,
37.28 and equip renovation of existing space
37.29 or construction of new space for skilled
37.30 nursing home capacity for forensic treatment
37.31 programs operated by state-operated services
37.32 on the campus of St. Peter Regional
37.33 Treatment Center.

38.1 (b) \$4,000,000 may be used to prepare
38.2 and develop a site, including demolition of
38.3 buildings and infrastructure, to implement
38.4 the redevelopment and reuse of the
38.5 Ah-Gwah-Ching Regional Treatment Center
38.6 campus. If the property is sold or transferred
38.7 to a local unit of government, the unspent
38.8 portion of this appropriation may be granted
38.9 to the local unit of government that acquires
38.10 the campus for the purposes stated in this
38.11 subdivision. Notwithstanding Minnesota
38.12 Statutes, section 16A.642, this appropriation
38.13 and its corresponding bond authorization do
38.14 not cancel until June 30, 2010.
38.15 (c) \$1,000,000 may be used to renovate one
38.16 or more buildings for chemical dependency
38.17 treatment specializing in methamphetamine
38.18 addiction, and demolish buildings, on the
38.19 Willmar Regional Treatment Center campus.
38.20 If the property is sold or transferred to a local
38.21 unit of government, the unspent portion of
38.22 this appropriation may be granted to the local
38.23 unit of government that acquires the campus
38.24 for the purposes stated in this subdivision.
38.25 (d) Up to \$2,210,000 may be spent by the
38.26 commissioner of finance to retire municipal
38.27 bonds issued by the city of Fergus Falls and
38.28 to retire interfund loans incurred by the city
38.29 of Fergus Falls in connection with the waste
38.30 incinerator and steam heating facility at the
38.31 Fergus Falls Regional Treatment Center.
38.32 (e) Up to \$400,000 may be used for a grant to
38.33 the city of Fergus Falls to demolish the city's
38.34 waste-to-energy incineration plant located
38.35 on the grounds of the Fergus Falls Regional
38.36 Treatment Center.

39.1 (f) The provisions, terms, and conditions
39.2 of any grant made by the director of the
39.3 Office of Environmental Assistance under
39.4 Minnesota Statutes, chapter 115A, to the
39.5 city of Fergus Falls for the waste incinerator
39.6 steam heating facility that supports the
39.7 Fergus Falls Regional Treatment Center and
39.8 that may come into effect as a result of the
39.9 incinerator and facility being closed, are
39.10 hereby waived.

39.11 Sec. 41. Laws 2005, chapter 20, article 1, section 21, subdivision 2, is amended to read:

39.12 Subd. 2. **Asset Preservation** 4,000,000

39.13 For asset preservation improvements and
39.14 betterments of a capital nature at veterans
39.15 homes statewide to be spent in accordance
39.16 with Minnesota Statutes, section 16A.632.
39.17 Up to \$2,200,000 of federal money received
39.18 by the Minnesota Veterans Homes Board
39.19 of Directors as reimbursement for state
39.20 capital expenditures at the veterans homes
39.21 must be credited to the general fund and
39.22 is appropriated to the commissioner of
39.23 administration for ~~asset preservation~~ repairs
39.24 and betterments at the homes ~~in accordance~~
39.25 ~~with Minnesota Statutes, section 16A.632.~~

39.26 Sec. 42. Laws 2005, chapter 20, article 1, section 23, subdivision 8, is amended to read:

39.27 Subd. 8. **Lewis and Clark Rural Water System,**
39.28 **Inc.** 2,000,000

39.29 This appropriation is from the general fund
39.30 to the Public Facilities Authority for grants
39.31 to the ~~city of Luverne, city of Worthington~~
39.32 ~~Public Utilities, Lincoln-Pipestone rural~~
39.33 ~~water system, and Rock County rural water~~
39.34 ~~system~~ Lewis and Clark Joint Powers
39.35 Board to acquire land, predesign, design,

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40.1 construct, furnish, and equip ~~one or more~~
40.2 water transmission and storage facilities ~~to~~
40.3 ~~accommodate the connection with~~ of the
40.4 Lewis and Clark Rural Water System, Inc.
40.5 that will serve southwestern Minnesota.
40.6 ~~The grants~~ Payment to the Lewis and Clark
40.7 Rural Water System, Inc., must be awarded
40.8 ~~to projects~~ approved by the Lewis and Clark
40.9 Joint Powers Board.
40.10 This appropriation is available only to the
40.11 extent that each \$1 of state money is matched
40.12 by at least \$1 of local money paid to the
40.13 Lewis and Clark Rural Water System, Inc.
40.14 ~~for each \$1 of state money to be used to~~
40.15 ~~reimburse costs incurred on eligible projects.~~
40.16 This appropriation is the first phase of the
40.17 state share for the Lewis and Clark Rural
40.18 Water System, Inc. project as defined in the
40.19 federal Lewis and Clark Rural Water System
40.20 Act of 2000.

40.21 Sec. 43. Laws 2005, chapter 20, article 1, section 23, subdivision 16, is amended to
40.22 read:

40.23 Subd. 16. **Minneapolis**

40.24 (a) Minnesota Planetarium 22,000,000

40.25 For a grant to ~~the city of Minneapolis~~
40.26 Hennepin County to complete design and
40.27 to construct, furnish, and equip a new
40.28 Minnesota planetarium and space discovery
40.29 center in conjunction with the Minneapolis
40.30 downtown library.

40.31 (b) Heritage Park

40.32 Any unspent balance remaining on December
40.33 31, 2004, in the appropriation made by
40.34 Laws 2000, chapter 492, article 1, section
40.35 22, subdivision 10, for a grant to the city of

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41.1 Minneapolis, may be used by the city for
41.2 improvements to the Heritage Park project.
41.3 (c) Minnesota Shubert Center 1,000,000

41.4 For a grant to the city of Minneapolis to
41.5 predesign and design and provide for related
41.6 capital costs for an associated atrium to
41.7 create the Minnesota Shubert Center.

41.8 **EFFECTIVE DATE.** This section is effective on the same date as H.F. 1973/S.F.
41.9 1812, if enacted in the 2007 legislative session.

41.10 Sec. 44. Laws 2005, chapter 156, article 2, section 46, is amended to read:

41.11 Sec. 46. **FORD BUILDING.**

41.12 The Ford Building at 117 University Avenue in St. Paul may not be demolished
41.13 ~~during the biennium ending~~ before June 30, ~~2007~~ 2008. By January 15, 2006, the
41.14 commissioner of administration, in consultation with interested legislators, private sector
41.15 real estate professionals, historic preservation specialists, and representatives of the city of
41.16 St. Paul, neighboring property, and St. Paul neighborhood associations, must report to the
41.17 legislature with recommendations regarding potential means of preserving and using the
41.18 Ford Building. The report must include:

41.19 (1) availability of potential lessees for the building;

41.20 (2) constraints on leasing the building, including the requirement to pay off any state
41.21 general obligation bonds previously used in maintaining or rehabilitating the building; and

41.22 (3) the cost of restoring and rehabilitating the building, and the feasibility of various
41.23 means of paying these costs, including potential use of revenue bonds.

41.24 Sec. 45. Laws 2006, chapter 258, section 4, subdivision 4, is amended to read:

41.25 Subd. 4. **MacPhail Music Center** 5,000,000

41.26 (a) For a grant to the city of Minneapolis to
41.27 predesign, design, construct, furnish, and
41.28 equip a new facility for the MacPhail Center
41.29 for Music. The city of Minneapolis may
41.30 enter into a lease or management agreement
41.31 to operate the center, subject to Minnesota
41.32 Statutes, section 16A.695. This appropriation
41.33 is not available until the commissioner has
41.34 determined that not less than \$15,000,000
41.35 has been committed to the MacPhail Center

42.1 for Music from nonstate sources, and that
42.2 the available money is sufficient to complete
42.3 a functional facility. Money secured before
42.4 the effective date of this section may count
42.5 toward the required commitment of nonstate
42.6 sources, provided it is used for qualified
42.7 capital expenditures. Any land acquisition
42.8 costs paid by MacPhail Center for Music
42.9 qualify as capital expenditures.

42.10 (b) The city of Minneapolis may provide
42.11 money to predesign, design, construct,
42.12 furnish, and equip a center for music
42.13 education, including classrooms and a
42.14 recital hall in the city of Minneapolis,
42.15 to provide a facility for education of
42.16 students, music therapy programs for
42.17 persons with disabilities, music teacher
42.18 training opportunities, curriculum and
42.19 program development, and to provide the
42.20 programming in public and private schools
42.21 and in partnership with other organizations
42.22 throughout the state.

42.23 (c) The required demonstration of a
42.24 commitment of funds from nonstate sources
42.25 has been met by cash, prepaid qualified
42.26 expenses, and private multiyear pledges that
42.27 have been converted into cash through bond
42.28 financing and a letter of credit secured by
42.29 a mortgage lien on the state bond financed
42.30 property. The \$5,000,000 construction grant
42.31 shall be disbursed without requirement that
42.32 the mortgage lien be released.

42.33 (d) The commissioners of education and
42.34 finance shall agree to a provision in the
42.35 ground lease that permits the city of
42.36 Minneapolis to purchase for fair market

43.1 value, as that term is defined in Minnesota
43.2 Statutes, section 16A.695, subdivision 1,
43.3 paragraph (d), the interest of the operating
43.4 lease lessee in the state bond financed
43.5 property (based on investment in land
43.6 and capital improvements) in the event of
43.7 nonrenewal of the operating lease at the time
43.8 of nonrenewal without requirement of a prior
43.9 escrow for funds by the city of Minneapolis.

43.10 **EFFECTIVE DATE.** This section is effective retroactively from June 2, 2006.

43.11 Sec. 46. Laws 2006, chapter 258, section 7, subdivision 3, is amended to read:

43.12 Subd. 3. **Flood Hazard Mitigation Grants** 25,000,000

43.13 For the state share of flood hazard
43.14 mitigation grants for publicly owned capital
43.15 improvements to prevent or alleviate flood
43.16 damage under Minnesota Statutes, section
43.17 103F.161.

43.18 The commissioner shall determine project
43.19 priorities as appropriate, based on need.

43.20 This appropriation includes money for the
43.21 following projects:

43.22 (a) Austin

43.23 (b) Albert Lea

43.24 (c) Browns Valley

43.25 (d) Crookston

43.26 ~~(d)~~ (e) Canisteo Mine

43.27 ~~(e)~~ (f) Delano

43.28 ~~(f)~~ (g) East Grand Forks

43.29 ~~(g)~~ (h) Golden Valley

43.30 ~~(h)~~ (i) Grand Marais Creek

43.31 ~~(i)~~ (j) Granite Falls

43.32 ~~(j)~~ (k) Inver Grove Heights

43.33 ~~(k)~~ (l) Manston Slough

43.34 ~~(l)~~ (m) Oakport Township

43.35 ~~(m)~~ (n) Riverton Township

44.1 ~~(n)~~ (o) Roseau

44.2 (p) Shell Rock Watershed District

44.3 ~~(o)~~ (q) St. Vincent

44.4 ~~(p)~~ (r) Wild Rice River Watershed District

44.5 For any project listed in this subdivision
44.6 that the commissioner determines is not
44.7 ready to proceed or does not expend all the
44.8 money allocated to it, the commissioner may
44.9 allocate that project's money to a project on
44.10 the commissioner's priority list.

44.11 To the extent that the cost of a project in Ada,
44.12 Breckenridge, Browns Valley, Crookston,
44.13 Dawson, East Grand Forks, Granite Falls,
44.14 Montevideo, Oakport Township, Roseau,
44.15 St. Vincent, or Warren exceeds two percent
44.16 of the median household income in the
44.17 municipality multiplied by the number
44.18 of households in the municipality, this
44.19 appropriation is also for the local share of the
44.20 project. The local share for the St. Vincent
44.21 dike may not exceed \$30,000.

44.22 Sec. 47. Laws 2006, chapter 258, section 7, subdivision 7, is amended to read:

44.23 Subd. 7. **Lake Superior safe harbors** 3,000,000

44.24 To design and construct capital improvements
44.25 to public accesses and small craft harbors on
44.26 Lake Superior in accordance with Minnesota
44.27 Statutes, sections 86A.20 to 86A.24, and in
44.28 cooperation with the United States Army
44.29 Corps of Engineers.

44.30 This appropriation may be used to develop
44.31 the harbor of refuge and marina at Two
44.32 Harbors and is added to the appropriations
44.33 in Laws 1998, chapter 404, section 7,
44.34 subdivision 24; and Laws 2000, chapter
44.35 492, article 1, section 7, subdivision 21, as
44.36 amended by Laws 2005, chapter 20, article

45.1 1, section 42. Notwithstanding those laws,
45.2 the commissioner may proceed with the Two
45.3 Harbors project by providing up to \$625,000
45.4 to complete the design specifications and
45.5 environmental work currently underway and
45.6 proceed with the remaining money for the
45.7 project upon securing an agreement with the
45.8 U.S. Army Corps of Engineers that commits
45.9 federal expenditures of at least \$4,000,000
45.10 to the project.

45.11 Sec. 48. Laws 2006, chapter 258, section 7, subdivision 11, is amended to read:

45.12 Subd. 11. **Water control structures** 1,000,000

45.13 To rehabilitate or replace water control
45.14 structures used to manage shallow lakes and
45.15 wetlands for waterfowl habitat on wildlife
45.16 management areas under Minnesota Statutes,
45.17 section 86A.05, subdivision 8, or for the
45.18 purposes of public water reserves under
45.19 Minnesota Statutes, section 97A.101.

45.20 Sec. 49. Laws 2006, chapter 258, section 7, subdivision 22, is amended to read:

45.21 Subd. 22. **Regional trails** 1,133,000

45.22 For matching grants under Minnesota
45.23 Statutes, section 85.019, subdivision 4b.
45.24 \$648,000 is for the Agassiz Recreational
45.25 ATV Trail. Snowmobile trail grant money
45.26 received under Minnesota Statutes, section
45.27 84.83, subdivision 3, and all-terrain vehicle
45.28 trail grant money received under Minnesota
45.29 Statutes, section 84.927, subdivision 2, may
45.30 be counted as part of the county's required 50
45.31 percent nonstate match.

45.32 \$485,000 is for a grant to the Central
45.33 Minnesota Regional Parks and Trails
45.34 Coordination Board to design, engineer,
45.35 and construct 6.3 miles of trail and two

46.1 parking areas along the Mississippi River
46.2 in Sherburne County, to be known as Xcel
46.3 Energy Great River Woodland Trail.

46.4 Sec. 50. Laws 2006, chapter 258, section 16, subdivision 4, is amended to read:

46.5 Subd. 4. **Northstar Commuter Rail** 60,000,000

46.6 (a) To acquire land, or an interest in land,
46.7 and to design, construct, furnish, and equip
46.8 the Northstar commuter rail line serving
46.9 Big Lake to downtown Minneapolis and
46.10 to acquire land, or an interest in land, and
46.11 to design, construct, furnish, and equip
46.12 the extension of the Hiawatha light rail
46.13 transit line from its terminus in downtown
46.14 Minneapolis to a new terminus near Fifth
46.15 Avenue North adjacent to the proposed
46.16 downtown Minneapolis commuter rail
46.17 station.

46.18 (b) This appropriation is added to the
46.19 appropriation in Laws 2005, chapter 20,
46.20 article 1, section 18, subdivision 5.

46.21 (c) This appropriation is not available until
46.22 a full-funding grant agreement has been
46.23 executed with, or a letter of no prejudice
46.24 for a specific component of the project or
46.25 pre-award authority has been issued by, the
46.26 Federal Transit Administration.

46.27 (d) If the Northstar commuter rail line is
46.28 extended from Big Lake to the St. Cloud
46.29 area, regional rail authority members of the
46.30 Northstar Corridor Development Authority
46.31 who did not fund a portion of the share
46.32 of capital costs from Minneapolis to Big
46.33 Lake shall contribute an amount for the
46.34 extension equal to the amount they would
46.35 have contributed for their proportional share

47.1 of the entire line from Minneapolis to the
47.2 St. Cloud area.

47.3 Sec. 51. Laws 2006, chapter 258, section 21, subdivision 6, is amended to read:

47.4 Subd. 6. **Redevelopment Account** 9,000,000

47.5 For purposes of the redevelopment account
47.6 under Minnesota Statutes, section 116J.571.
47.7 \$800,000 is for a grant to the city of
47.8 Worthington to remediate contaminated
47.9 soil and redevelop the site of the former
47.10 Campbell Soup factory. This grant is exempt
47.11 from the requirements of Minnesota Statutes,
47.12 sections 116J.572 to 116J.575.
47.13 \$250,000 is for a grant to the city of
47.14 Winona to predesign facilities for the
47.15 Shakespeare Festival as part of the riverfront
47.16 redevelopment plan. This grant is exempt
47.17 from the requirements of Minnesota Statutes,
47.18 sections 116J.572 to 116J.575.

47.19 Sec. 52. Laws 2006, chapter 258, section 21, subdivision 15, is amended to read:

47.20 Subd. 15. **Lewis and Clark Rural Water**
47.21 **System, Inc.** 3,282,000

47.22 This appropriation is from the general fund
47.23 to the Public Facilities Authority for grants
47.24 to the city of Luverne, city of Worthington
47.25 Public Utilities, Lincoln-Pipestone rural
47.26 water system, and Rock County rural water
47.27 system Lewis and Clark Joint Powers
47.28 Board to acquire land, predesign, design,
47.29 construct, furnish, and equip ~~one or more~~
47.30 water transmission and storage facilities ~~to~~
47.31 ~~accommodate the connection with~~ of the
47.32 Lewis and Clark Rural Water System, Inc.
47.33 that will serve southwestern Minnesota.
47.34 ~~The grants~~ Payment to the Lewis and Clark
47.35 Rural Water System, Inc. must be awarded

48.1 ~~to projects~~ approved by the Lewis and Clark
48.2 Joint Powers Board.
48.3 This appropriation is available to the extent
48.4 that each \$1 of state money is matched by at
48.5 least \$1 of local money paid to the Lewis and
48.6 Clark Rural Water System, Inc. ~~to reimburse~~
48.7 ~~the system for costs incurred on eligible~~
48.8 ~~projects.~~

48.9 Sec. 53. Laws 2006, chapter 258, section 23, subdivision 3, is amended to read:
48.10 Subd. 3. **Historic Fort Snelling Museum and**
48.11 **Visitor Center** 1,100,000

48.12 ~~To design the restoration and renovation of~~
48.13 ~~the 1904 Cavalry Barracks Building for the~~
48.14 ~~historic Fort Snelling Museum and Visitor~~
48.15 ~~Center and other site improvements to~~
48.16 ~~revitalize historic Fort Snelling.~~

48.17 Sec. 54. **REPORT ON EAST PHILLIPS CULTURAL AND COMMUNITY**
48.18 **CENTER.**

48.19 The Metropolitan Council shall report by January 1, 2008, to the legislative
48.20 committees with jurisdiction over capital investment on the terms of the grant agreement
48.21 and progress on design and construction of the East Phillips Cultural and Community
48.22 Center by the Minneapolis Park and Recreation Board with the appropriation in Laws
48.23 2006, chapter 258, section 17, subdivision 8.

48.24 Sec. 55. **PUBLIC FACILITIES AUTHORITY FUNDING.**

48.25 To the greatest practical extent, projects on the Public Facilities Authority's 2007
48.26 intended use plan, the listings for which were based on the Pollution Control Agency's
48.27 2006 project priority list, shall be carried over to the 2008 intended use plan. Projects that
48.28 qualified for funding from the Public Facilities Authority under Laws 2006, chapter 258,
48.29 section 21, that could not be certified by the Pollution Control Agency by the applicable
48.30 deadline shall have until May 1, 2008, or six months after the Minnesota Supreme Court
48.31 issues an opinion in the cities of Maple Lake and Annandale matter, whichever is later, to
48.32 obtain the required certification from the Pollution Control Agency.

48.33 Sec. 56. **GREENLEAF LAKE STATE RECREATION AREA.**

Subdivision 1. **[85.013] [Subd. 11b.] Greenleaf Lake State Recreation Area.**

In addition to the lands designated under Laws 2003, First Special Session chapter 13, section 6, as amended by Laws 2004, chapter 262, article 2, section 10, the following lands are added to the Greenleaf Lake State Recreation Area:

(1) the West 1104.98 feet of Government Lot 4, Section 21, Township 118 North, Range 30 West, Meeker County, Minnesota; and

(2) that part of Government Lot 7 of Section 20, Township 118, Range 30, which lies south of the following described line and its extensions: said line commencing at the southwest corner of said Section 20; thence on an assumed bearing of North 08 degrees 22 minutes 44 seconds West, along the west line of said section, a distance of 1350.00 feet to the point of beginning of the line to be described; thence North 88 degrees 28 minutes 35 seconds East, a distance of 699 feet to the shoreline of Greenleaf Lake and said line terminating thereat; and Government Lot 8 of said section except the following described tract: said tract being that part of said Government Lot 8 lying east of the following described line: said line commencing at the southwest corner of said section; thence easterly, along the south line of said section, a distance of 734.60 feet to the point of beginning of the line to be described; thence north at a right angle, a distance of 100 feet and said line terminating thereat.

Subd. 2. **Management plan.** The commissioner of natural resources, in consultation with local elected officials and citizens of Meeker County and other interested stakeholders, shall develop a comprehensive management plan that provides for opportunities for outdoor recreation, as defined under Minnesota Statutes, section 86A.03, subdivision 3, in Greenleaf Lake State Recreation Area. The completed management plan shall serve as the master plan for purposes of Minnesota Statutes, section 86A.09.

Sec. 57. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change "116R.01 to 116R.16" to "116R.01 to 116R.15" wherever it appears in Minnesota Statutes.

Sec. 58. **REPEALER.**

(a) Minnesota Statutes 2006, sections 85.012, subdivision 24b; 116R.02, subdivisions 3, 6, 7, and 9; and 116R.16, are repealed.

(b) Laws 2006, chapter 258, section 14, subdivision 6, is repealed.

Sec. 59. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective the day following final enactment."

Delete the title and insert:

50.1 "A bill for an act

50.2 relating to capital improvements; authorizing spending to acquire and better

50.3 public land and buildings and other improvements of a capital nature with

50.4 certain conditions; establishing new programs and modifying existing programs;

50.5 authorizing the sale of state bonds; canceling and modifying previous

50.6 appropriations; appropriating money; amending Minnesota Statutes 2006,

50.7 sections 85.013, by adding a subdivision; 116R.01, subdivision 6; 116R.02,

50.8 subdivisions 1, 2, 4, 5; 116R.03; 116R.05, subdivision 2; 116R.11, subdivision 1;

50.9 116R.12, by adding a subdivision; 272.01, subdivision 2; 290.06, subdivision

50.10 24; 297A.71, subdivision 10; 360.013, subdivision 39; 360.032, subdivision 1;

50.11 360.038, subdivision 4; Laws 2005, chapter 20, article 1, sections 7, subdivisions

50.12 2, 21; 17; 20, subdivision 3; 21, subdivision 2; 23, subdivisions 8, 16; Laws

50.13 2005, chapter 156, article 2, section 46; Laws 2006, chapter 258, sections 4,

50.14 subdivision 4; 7, subdivisions 3, 7, 11, 22; 16, subdivision 4; 21, subdivisions

50.15 6, 15; 23, subdivision 3; repealing Minnesota Statutes 2006, sections 85.012,

50.16 subdivision 24b; 116R.02, subdivisions 3, 6, 7, 9; 116R.16; Laws 2006, chapter

50.17 258, section 14, subdivision 6."

51.1 We request the adoption of this report and repassage of the bill.

51.2 House Conferees: (Signed)

51.3	.....	.....
51.4	Alice Hausman	Mary Murphy

51.5	.....	.....
51.6	Lyndon R. Carlson	Gene Pelowski, Jr.

51.7	.....
51.8	Kathy Tingelstad

51.9 Senate Conferees: (Signed)

51.10	.....	.....
51.11	Keith Langseth	Richard J. Cohen

51.12	.....	.....
51.13	David H. Senjem	James P. Metzen

51.14	.....
51.15	Betsy Wergin