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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **5464**

05/09/2024 Authored by Hussein
The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy

1.1 A bill for an act

1.2 relating to economic development; establishing the Rondo Restorative Development
1.3 Authority for the operations of a land bridge in the Rondo neighborhood of St.
1.4 Paul; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

1.6 Section 1. **PURPOSE.**

1.7 (a) The purpose of this act is to provide for the transfer of state real estate interests,
1.8 including right-of-way air rights, construction, development, financing, community
1.9 ownership, formation of and ownership of private development entities, transfer of
1.10 developments, and long-term operations of the land bridge in the Rondo neighborhood of
1.11 the city.

1.12 (b) The legislature finds and declares that the establishment of the authority and the
1.13 expenditure of public money for this purpose are necessary and serve a public purpose and
1.14 that property acquired by the authority for the construction and development of the land
1.15 bridge is acquired for a public use or public purpose under chapter 117.

1.16 (c) The legislature further finds and declares that government assistance to facilitate the
1.17 land bridge provides to the state, its citizens, and the citizens of the Rondo community
1.18 highly valued intangible benefits that help address historic racial inequities that led to the
1.19 destruction of the Rondo neighborhood by the routing of an interstate highway through the
1.20 neighborhood in 1950s, causing the loss of approximately 700 homes and 300 businesses
1.21 with inadequate compensation and leading to significant loss of generational wealth.

2.1 **Sec. 2. [116J.382] DEFINITIONS.**

2.2 Subdivision 1. Definitions. As used in sections 116J.382 to 116J.384, the terms in this
2.3 section have the meanings given.

2.4 Subd. 2. Authority. "Authority" means the Rondo Restorative Development Authority.

2.5 Subd. 3. City. "City" means the city of St. Paul.

2.6 Subd. 4. Land bridge. "Land bridge" means one or more projects of the authority
2.7 undertaken in accordance with this chapter within the Rondo community land bridge area.

2.8 Subd. 5. Rondo community land bridge area. "Rondo community land bridge area"
2.9 means the freeway right-of-way over marked Interstate Highway 94 in a portion of the
2.10 segment from Lexington Avenue to Rice Street in the city.

2.11 **Sec. 3. [116J.383] RONDO RESTORATIVE DEVELOPMENT AUTHORITY.**

2.12 Subdivision 1. Establishment. (a) The Rondo Restorative Development Authority is
2.13 established as a public body, corporate and politic, and political subdivision of the state.
2.14 The authority is not a joint powers entity or an agency or instrumentality of the city. The
2.15 powers conveyed to the authority apply within the Rondo community land bridge area.

2.16 (b) The authority is authorized to fund infrastructure improvements and acquire real
2.17 property outside of the Rondo community land bridge area that serve the purposes of sections
2.18 116J.382 to 116J.384.

2.19 Subd. 2. Membership. (a) The authority shall be managed by a 17-member board of
2.20 commissioners who may name a chair or co-chairs from among the commissioners.

2.21 (b) The commissioners shall be appointed to four-year terms, beginning January 1, 2025,
2.22 as follows:

2.23 (1) five representatives appointed by ReConnect Rondo;

2.24 (2) four representatives appointed by Rondo Roundtable;

2.25 (3) two representatives appointed by the mayor of the city of St. Paul;

2.26 (4) one representative appointed by Saint Paul Public Schools;

2.27 (5) one representative appointed by the governor;

2.28 (6) one representative appointed by the Metropolitan Council;

2.29 (7) one representative appointed by Ramsey County;

2.30 (8) one representative appointed by the senate; and

- 3.1 (9) one representative appointed by the house of representatives.
- 3.2 Each commissioner serves until a successor is appointed and takes office. Commissioners
3.3 of the authority are public officials under chapter 10A and subject to all applicable
3.4 requirements therein.
- 3.5 Subd. 3. **Compensation.** The authority may compensate its members, other than the
3.6 chair, as provided in section 15.0575, subdivision 3. The chair shall receive, unless otherwise
3.7 provided by other law, a salary in an amount fixed by the authority and shall be reimbursed
3.8 for reasonable expenses to the same extent as a member.
- 3.9 Subd. 4. **Chair.** The chair presides at all meetings of the authority, if present, and
3.10 performs all other assigned duties and functions. The authority may appoint from among
3.11 its members a vice-chair to act for the chair during the temporary absence or disability of
3.12 the chair and any other officers the authority determines are necessary or convenient.
- 3.13 Subd. 5. **Removal.** A commissioner may be removed by the respective appointing
3.14 authority only for misfeasance, malfeasance, or nonfeasance in office upon written charges
3.15 and after an opportunity to be heard in defense of the charges.
- 3.16 Subd. 6. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the
3.17 powers and duties of its officers, and other matters relating to the governance of the authority
3.18 and the exercise of its powers.
- 3.19 Subd. 7. **Audit.** The legislative auditor shall audit the books and accounts of the authority
3.20 once each year or as often as the legislative auditor's funds and personnel permit. The
3.21 authority shall pay the total cost of the audit pursuant to section 3.9741.
- 3.22 Subd. 8. **Executive director; employees.** The authority may appoint an executive director
3.23 to serve as the chief executive officer of the authority. The executive director serves at the
3.24 pleasure of the authority and receives compensation as determined by the authority. The
3.25 executive director is responsible for the operation, management, and promotion of activities
3.26 of the authority, as prescribed by the authority. The executive director has the powers
3.27 necessary to the performance of duties required and powers granted by the authority, but
3.28 does not have authority to incur liability or make expenditures on behalf of the authority
3.29 without general or specific directions by the authority, as shown by the bylaws or minutes
3.30 of a meeting of the authority. The executive director is responsible for the hiring, supervision
3.31 of, and dismissal of all other employees of the authority. The executive director is a public
3.32 official under chapter 10A.

4.1 **Subd. 9. Quorum; approvals.** Any nine members shall constitute a quorum for the
4.2 conduct of business and action may be taken upon the vote of a majority of members present
4.3 at a meeting duly called and held.

4.4 **Sec. 4. [116J.384] POWERS; DUTIES OF THE AUTHORITY.**

4.5 **Subdivision 1. Actions.** The authority may sue and be sued. The authority is a public
4.6 body, and the Rondo community land bridge and related improvements outside the Rondo
4.7 community land bridge area are public improvements under chapter 562. The authority is
4.8 a municipality under chapter 466.

4.9 **Subd. 2. Acquisition of property.** The authority may acquire from any public or private
4.10 entity by lease, purchase, gift, or devise all necessary right, title, and interest in and to real
4.11 property, air rights, and personal property deemed necessary to the purposes contemplated
4.12 by this chapter. The authority may acquire, by the exercise of condemnation powers under
4.13 chapter 117, land, other real property, air rights, personal property, and other right, title,
4.14 and interest in property, except property of the state. Any lease of air space rights for the
4.15 Rondo community land bridge from the state or a political subdivision shall be for a minimum
4.16 of 99 years, with renewal options, unless a shorter period is agreed to by the authority.

4.17 **Subd. 3. Disposition of property.** The authority may sell, lease, or otherwise dispose
4.18 of any real or personal property acquired by the authority that is no longer required for
4.19 accomplishment of the authority's purposes. The property may be sold in accordance with
4.20 the procedures provided by section 469.065, subdivisions 1 to 5, to the extent the authority
4.21 deems it to be practical and consistent with this chapter.

4.22 **Subd. 4. Data practices; open meetings.** The authority is subject to chapters 13 and
4.23 13D.

4.24 **Subd. 5. Land bridge operation.** The authority may develop, construct, equip, improve,
4.25 own, operate, manage, maintain, finance, and control the land bridge or may delegate such
4.26 duties through one or more agreements, including a statutory trust under subdivision 6,
4.27 paragraph (b), subject to the rights and obligations transferred to and assumed by the
4.28 authority, other user, third-party manager, or program manager, under the terms of a lease,
4.29 use agreement, or development agreement. The authority may enter into agreements with
4.30 the state or other governmental units regarding respective ownership and operation of any
4.31 portion of the land bridge.

4.32 **Subd. 6. Land bridge development authority.** (a) In addition to the other powers
4.33 granted in this section and other law, the authority, for purposes of fostering community

5.1 development, may spend any money made available to the agency by direct appropriation
5.2 to acquire real or personal property or interests therein by gift, purchase, or lease and may
5.3 convey by lease, sale, sublease, assignment, or other means of conveyance or commitment
5.4 any or all property interests owned or administered by the authority.

5.5 (b) In furtherance of development of the land bridge, the authority may establish and
5.6 participate in charitable foundations, nonprofit limited liability companies, statutory trusts,
5.7 and nonprofit corporations, including a corporation under section 317A.011, subdivision
5.8 6.

5.9 Subd. 7. **Design, construction, and maintenance.** The authority may contract for
5.10 materials, supplies, and equipment in accordance with section 471.345, except that the
5.11 authority may employ or contract with persons, firms, or corporations to perform one or
5.12 more or all of the functions of architect, engineer, construction manager, or program manager
5.13 or other government entity with respect to all or any part of the design, construction,
5.14 financing, operation, maintenance, and use of the land bridge under the traditional separate
5.15 design and build, integrated design-build, construction manager at risk, structures, or a
5.16 combination thereof. The construction of a land bridge is a "project" as that term is defined
5.17 in section 177.42, subdivision 2, and is subject to the prevailing wage law under section
5.18 177.41 to 177.43.

5.19 Subd. 8. **Employees; contracts for services.** The authority may employ persons and
5.20 contract for services necessary to carry out its functions, including the utilization of
5.21 employees and consultants retained by other governmental entities.

5.22 Subd. 9. **Gifts, grants, and loans.** The authority may accept monetary contributions,
5.23 property, services, and grants or loans of money or other property from the United States,
5.24 the state, any subdivision of the State, any agency of those entities, or any person for any
5.25 of its purposes and may enter into any agreement required in connection with the gifts,
5.26 grants, or loans. The authority shall hold, use, and dispose of the money, property, or services
5.27 according to the terms of the monetary contributions, grant, loan, or agreement.

5.28 Subd. 10. **Exemption from Metropolitan Council review; Business Subsidy Act.** The
5.29 acquisition and betterment of a land bridge by the authority must be conducted pursuant to
5.30 this chapter and are not subject to sections 473.165 and 473.173. Section 116J.994 does not
5.31 apply to any transactions of the authority or other governmental entity related to the land
5.32 bridge or to any tenant or other users of the land bridge.

5.33 Subd. 11. **Incidental powers.** In addition to the powers expressly granted in sections
5.34 116J.382 to 116J.384, the authority has all powers necessary or incidental thereto.