Lake Winona grants and legislative documents

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116J.551 Creation of account.

A contaminated site cleanup and development account is created in the general fund. Money in the account may be used as appropriated by law, to make grants as provided in section 116J.554 and to pay for the commissioner's costs in reviewing applications and making grants.

HIST: 1993 c 375 art 13 s 1

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Minnesota Statutes 1996, Table of Chapters

Table of contents for Chapter 116J

116J.552 Definitions.

Subdivision 1. Scope of application. For purposes of sections 116J.551 to 116J.557, the following terms have the meanings given.

Subd. 2. Cleanup costs. "Cleanup costs" or "costs" means the costs of developing and implementing a response action plan, but does not include implementation costs incurred before the award of a grant unless the application for the grant was submitted within 180 days after the response action plan was approved by the commissioner of the pollution control agency.

Subd. 3. Contaminant. "Contaminant" means a hazardous substance or a pollutant or contaminant as those terms are defined in section 115B.02.

Subd. 4. Development authority. "Development authority" includes a statutory or home rule charter city, housing and redevelopment authority, economic development authority, and a port authority.

Subd. 5. Metropolitan area. "Metropolitan area" means the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 6. Municipality. "Municipality" means the statutory or home rule charter city, town, or, in the case of unorganized territory, the county in which the site is located.

Subd. 7. Project costs. "Project costs" includes cleanup costs for the site and the cost of related site acquisition, demolition of existing improvements, and installation of public improvements necessary for the development authority to implement the response action plan.

Subd. 8. Response action plan. "Response action plan" means a response action plan approved by the commissioner of the pollution control agency, including a "development action response plan" that meets the requirements of section 469.174, subdivision 17; and a "voluntary response action plan" under section 115B.175, subdivision 3.

HIST: 1993 c 375 art 13 s 2; 1995 c 224 s 53; 1995 c 255 art 2 s 1

Copyright 1996 by the Office of Revisor of Statutes, State of Minnesota.
116J.553 Grant applications.

Subdivision 1. Application required. To obtain a contamination cleanup development grant, the development authority shall apply to the commissioner. The governing body of the municipality must approve, by resolution, the application.

Subd. 2. Required content. The commissioner shall prescribe and provide the application form. The application must include at least the following information:

1. identification of the site;
2. an approved response action plan for the site, including the results of engineering and other tests showing the nature and extent of the release or threatened release of contaminants at the site;
3. a detailed estimate, along with necessary supporting evidence, of the total cleanup costs for the site;
4. an appraisal of the current market value of the property, separately taking into account the effect of the contaminants on the market value, prepared by a qualified independent appraiser using accepted appraisal methodology;
5. an assessment of the development potential or likely use of the site after completion of the response action plan, including any specific commitments from third parties to construct improvements on the site;
6. the manner in which the municipality will meet the local match requirement; and
7. any additional information or material that the commissioner prescribes.

HIST: 1993 c 375 art 13 s 3

Copyright 1996 by the Office of Revisor of Statutes, State of Minnesota.
Subdivision 1. Authority. The commissioner may make a grant to an applicant development authority to pay for up to 75 percent of the cleanup costs for a qualifying site, except the grant may not exceed 50 percent of the project costs. The determination of whether to make a grant for a qualifying site is within the sole discretion of the commissioner, subject to the process provided by this section, and available unencumbered money in the appropriation. The commissioner's decisions and application of the priorities under section 116J.555 are not subject to judicial review, except for abuse of discretion.

Subd. 1a. Metropolitan livable communities. The commissioner may not make a grant to a municipality in the metropolitan area unless it is participating in the local housing incentives program under section 473.254.

Subd. 2. Qualifying sites. A site qualifies for a grant under this section, if the following criteria are met:

(1) the site is not scheduled for funding during the current or next fiscal year under the Comprehensive Environmental Response, Compensation, and Liability Act, United States Code, title 42, section 9601, et seq. or under the environmental response, and liability act under sections 115B.01 to 115B.24;

(2) the appraised value of the site after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology (i) is less than 50 percent of the estimated cleanup costs for the site or (ii) is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed $3 per square foot for the site; and

(3) if the proposed cleanup is completed, it is expected that the site will be improved with buildings or other improvements and these improvements will provide a substantial increase in the property tax base within a reasonable period of time or the site will be used for an important publicly owned or tax-exempt facility.

HIST: 1993 c 375 art 13 s 4; 1995 c 255 art 2 s 3
Minnesota Statutes 1996, Table of Chapters

Table of contents for Chapter 116J

116J.555 Priorities.

Subdivision 1. Priorities. (a) The legislature expects that applications for grants will exceed the available appropriations and the agency will be able to provide grants to only some of the applicant development authorities.

(b) If applications for grants for qualified sites exceed the available appropriations, the agency shall make grants for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred and that meet all the requirements provided by law. In making this judgment, the commissioner shall consider the following factors:

(1) the recommendations or ranking of projects by the commissioner of the pollution control agency regarding the potential threat to public health and the environment that would be reduced or eliminated by completion of each of the response action plans;

(2) the potential increase in the property tax base of the local taxing jurisdictions, considered relative to the fiscal needs of the jurisdictions, that will result from developments that will occur because of completion of each of the response action plans;

(3) the social value to the community of the cleanup and redevelopment of the site, including the importance of development of the proposed public facilities on each of the sites;

(4) the probability that each site will be cleaned up without use of government money in the reasonably foreseeable future;

(5) the amount of cleanup costs for each site; and

(6) the amount of the commitment of municipal or other local resources to pay for the cleanup costs.

The factors are not listed in a rank order of priority; rather the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The commissioner may consider other factors that affect the net return of public benefits for completion of the response action plan. The commissioner, notwithstanding the listing of priorities and the goal of maximizing the return of public benefits, shall make grants that distribute available money to sites both within and outside of the metropolitan area. The commissioner shall provide a written statement of the supporting reasons for each grant. Unless sufficient applications are not received for qualifying sites outside of the metropolitan area, at least 25 percent of the money provided as grants must be made for sites located outside of the metropolitan area.

Subd. 2. Application cycles; reporting to LCWM. (a)
In making grants, the commissioner shall establish semiannual application deadlines in which grants will be authorized from all or part of the available appropriations of money in the account.

(b) After each semiannual cycle in which grants are awarded, the commissioner shall report to the environment and natural resources committees of the senate and house of representatives, the finance division of the senate committee on environment and natural resources, and the house of representatives committee on environment and natural resources finance the grants awarded and appropriate supporting information describing each grant made. This report must be made within 30 days after the grants are awarded.

(c) The commissioner shall annually report to the legislative commission on the status of the cleanup projects undertaken under grants made under the programs. The commissioner shall include in the annual report information on the cleanup and development activities undertaken for the grants made in that and previous fiscal years. The commissioner shall make this report no later than 120 days after the end of the fiscal year.

HIST: 1993 c 375 art 13 s 5; 1995 c 224 s 54; 1995 c 255 art 2 s 2; 1996 c 470 s 27

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116J.556 Local match requirement.

(a) In order to qualify for a grant under sections 116J.551 to 116J.557, the municipality must pay for at least one-half of the project costs as a local match. The municipality shall pay an amount of the project costs equal to at least 12 percent of the cleanup costs from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality (excluding tax increments). These unrestricted moneys may be spent for project costs, other than cleanup costs, and qualify for the local match payment equal to 12 percent of cleanup costs. The rest of the local match may be paid with tax increments, regional, state, or federal money available for the redevelopment of brownfields or any other money available to the municipality.

(b) If the development authority establishes a tax increment financing district or hazardous substance subdistrict on the site to pay for part of the local match requirement, the district or subdistrict is not subject to the state aid reductions under section 273.1399. In order to qualify for the exemption from the state aid reductions, the municipality must elect, by resolution, on or before the request for certification is filed that all tax increments from the district or subdistrict will be used exclusively to pay (1) for project costs for the site and (2) administrative costs for the district or subdistrict. The district or subdistrict must be decertified when an amount of tax increments equal to no more than three times the costs of implementing the response action plan for the site and the administrative costs for the district or subdistrict have been received, after deducting the amount of the state grant.

HIST: 1993 c 375 art 13 s 6; 1995 c 255 art 2 s 4

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116J.557 Cost recovery actions.

Subdivision 1. Cause of action. The attorney general or a development authority or municipality that incurs cleanup costs to implement an approved response action plan pursuant to sections 116J.551 to 116J.557, may bring an action under section 115B.04 or other law to recover the reasonable and necessary cleanup costs incurred by the development authority or municipality. The attorney general, development authority, or municipality may recover all cleanup costs incurred whether paid from the proceeds of a grant under sections 116J.551 to 116J.557 or funds of the development authority or municipality. Recoverable costs include administrative and legal costs related to the development and implementation of the response action plan but do not include any cost associated with development or redevelopment of property. A development authority or municipality must have the consent of the attorney general to bring or settle an action under this subdivision to recover cleanup costs paid from the proceeds of a grant.

Subd. 2. Procedures. The commissioner shall notify the attorney general when a grant is awarded under sections 116J.551 to 116J.557. Upon request of the attorney general the development authority shall prepare and submit a certification of the cleanup costs and shall cooperate in any cost recovery action brought by the attorney general under subdivision 1. Certification by the development authority of the cleanup costs incurred to develop and implement the approved response action plan is prima facie evidence that the costs are reasonable and necessary in any action brought under this section.

Subd. 3. Attorney general assistance and costs. (a) The attorney general may assist a development authority or municipality, if requested to do so, in bringing an action under subdivision 1 by providing legal and technical advice or other appropriate assistance. The attorney general shall not assess any fee to the development authority or municipality for the assistance but may recover the cost of the assistance as provided in paragraph (b).

(b) If the attorney general brings or assists in an action brought under subdivision 1, the reasonable litigation expenses or other costs of legal or technical assistance incurred by the attorney general must be deducted from any recovery and paid to the attorney general before proceeds of the recovery are otherwise distributed. The attorney general shall deposit any money so deducted in the general fund.

Subd. 4. Disposition of recovered amounts. Amounts recovered from responsible persons, after any deduction under subdivision 3, and all other amounts otherwise received by the municipality, the agency, or the attorney general for the site shall be used to reimburse the municipality and the account in proportion to their respective payments for response costs. The amount of recovered costs apportioned to tax increments must be treated by the municipality and development authority as an excess increment under section 469.176, subdivision 2.
HIST: 1993 c 375 art 13 s 7; 1994 c 465 art 2 s 1

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116J.558 Effect of issuance of grants.

The issuance of a contamination cleanup grant under sections 116J.551 to 116J.557 has no effect on the responsibility or the liability of the state, under chapter 115B or any other law, in relation to the contamination at a site or sites for which the grant is issued. The issuance of a grant neither implies any state responsibility for the contamination nor imposes any obligation on the state to participate in the cleanup of the contamination or in the cleanup costs beyond the amount of the grant.

HIST: 1994 c 643 s 54

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Contamination Cleanup Grant Application

Judy -
you'll be getting a notice in Aug.
regarding workshops & revised Apps!
Call in the meantime if you have questions!

[Handwritten note: To be Revised]
The Contamination Cleanup Grant Program runs on a semiannual cycle. Deadlines for application are either November 15 or May 15 of each year. Applications must be received by the Department of Trade and Economic Development (DTED) by 4 p.m. on either date or must be postmarked by the application deadline date. You must submit the original application along with 2 copies. NOTE: An applicant can apply for more than one site. However, an application must be completed for each site individually.

Please fill out the entire application. All applications must be complete upon submission in order to qualify for a grant.

PURPOSE/BACKGROUND: The Contamination Cleanup Grant Program was established by the 1993 legislature to provide funds to clean up contaminated sites and provide a greater opportunity to convert contaminated property into a marketable asset. The main objective of this program is to serve the best interests and needs of communities by removing pollutants from sites within those communities in order to provide developable land and reduce the potential threat to public health and the environment. This grant program will provide a suitable means for parties to clean up and develop contaminated sites and allow for redevelopment.

The total legislative appropriation for this grant program is $7.8 million of general fund monies for fiscal years 1996 and 1997. With semiannual grant cycles, this allows $1,950,000 to be available per cycle for the biennium. Proceeds from the contamination tax are also applied to this program. Therefore, funding for grant cycles could increase depending on when DTED receives the contamination taxes from the Department of Revenue and depending on the amount collected.

The legislature has designated that 25% of available funds be spent on sites in Greater Minnesota unless sufficient applications are not received. This allows the grant program to assist with cleanup efforts statewide.
ELIGIBLE APPLICANTS: Eligible applicants for this program are statutory or home rule charter cities, economic development authorities, housing and redevelopment authorities, or port authorities.

QUALIFYING SITES: A site must meet each of the following criteria in order to qualify for the Contamination Cleanup Grant Program.

1) A grant cannot be given to a municipality in the Twin Cities Metropolitan Area unless it is participating in the Metropolitan Council's Local Housing Incentives Program. For information on how to participate in this program, call Hal Freshly at the Metropolitan Council at 612/291-6467.

2) A site qualifies for this grant program if it is not scheduled for funding under the Federal Superfund Program (United States Code, title 42, section 9601 et seq.) or the Environmental Response and Liability Act (MN Statutes 115B.01 to 115B.24). To check if your site is on either of these lists and is receiving funding, contact Ron Swenson at 612/297-1793 or Rich Sandberg at 612/296-7201 with the Preliminary Assessment/Site Investigation Unit at the Minnesota Pollution Control Agency (MPCA).

3) If the site contains contaminants, pollutants or hazardous substances as referenced in Minnesota Statutes 115B.02, it qualifies for this program. Minnesota Statutes 115B.02 excludes petroleum as a qualifying substance and therefore petroleum sites are not eligible for this grant program. Asbestos is also excluded. However, most other contaminants, pollutants or hazardous substances will qualify. If you have any questions about specific substances and their eligibility you are encouraged to call the Site Response Section at the MPCA at 612/296-7758 or Pat Matuseski at 612/297-8337.

4) A site qualifies for this grant program if the appraised value of the site with contaminants (pre-cleanup) is less than 50% of the estimated cleanup costs (the cost of implementing a response action plan) or is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed $3 per square foot. Accepted appraisal methodology and independent appraisers must be used in appraising the site.

5) Finally, a site will qualify for this grant program if it is expected that the site will be improved with buildings or other improvements and that these buildings or improvements will provide a substantial increase in the property tax base or will be used for an important publicly owned or tax exempt facility.

The above criteria are aligned with the major goals of this program; public benefits, redevelopment and economic development. In order to disburse monies to a wider range of contaminated sites, we will not fund sites already receiving federal or state funding under the Superfund program nor will we duplicate efforts by funding sites already receiving funding under any other state program (i.e. Department of Agriculture's ACRRRA program, other MPCA programs including Petrofund, etc.).
REQUIRED BUDGET/SCHEDULE: It is required that you submit a detailed line item budget outlining the cleanup cost as well as the total project cost for the site as outlined below.

The line item budget must outline the cleanup cost, which means, by definition for this program, "the costs of developing and implementing a response action plan, but does not include implementation costs incurred before the award of a grant unless the application for the grant was submitted within 180 days after the response action plan was approved by the commissioner of the pollution control agency." This means site assessment/testing and cleanup are eligible for grant funds. It also means that you can begin to implement your approved response action plan (or cleanup the site) before you are awarded a grant if you applied for the grant within 180 days of the MPCA approving your response action plan and have those implementation costs eligible for reimbursement if you receive a grant. This is done, of course, at the discretion and risk of the applicant. Implementation of the RAP prior to a grant award doesn't obligate DTED to reimburse the costs incurred nor provide funding to complete the RAP if a grant is not awarded. All approved response actions and site assessment costs should be itemized with a corresponding expense.

The line item budget must also include the project cost, defined in this program as, "the cleanup costs for the site (see above definition), and the cost of related site acquisition, demolition of existing improvements, and installation of public improvements necessary for the applicant to implement the response action plan." These costs must also be itemized with a corresponding expense. NOTE: Project administration is not a grant eligible expense.

You must also submit a detailed project schedule outlining the individual tasks and schedules of the overall project (this will include the cleanup of the site as well as the timeline for development after cleanup). Please keep in mind, however, that the grant can only be used for the cleanup of the site. This will include, but is not limited to, schedules on site assessment/testing, cleanup, demolition, construction, or any other project activities. A project schedule form is provided on page 9.

LOCAL MATCH REQUIREMENT: It is required that the municipality in which the site is located pay for one-half of the project cost as a local match to obtain a state grant. The municipality shall pay an amount equal to 12 percent of the cleanup costs from the municipality's general fund, a property tax levy or other unrestricted money available to the municipality. Tax increments may not be used for this purpose. Unrestricted money may be spent for project costs, other than cleanup costs and still qualify for the local match payment equal to 12 percent of the cleanup costs.

The rest of the local match may be paid with tax increments, regional, state or federal money available for the redevelopment of brownfields (including money from the Metropolitan Council's Tax Base Revitalization Account for metro applicants) or any other money available to the municipality. If the applicant establishes a TIF district or hazardous substance subdistrict on the site to pay for part of the local match requirement, the district or subdistrict
is not subject to the state aid reductions under MS 273.1399. In order to qualify for the exemption from the state aid reductions, the municipality must elect, by resolution, on or before the request for certification is filed, that all tax increments for the district or subdistrict will be used exclusively to pay (1) project costs for the site and (2) administrative costs for the district or subdistrict. The district or subdistrict must be decertified when an amount of tax increments equal to no more than three times the costs of implementing the response action plan for the site and the administrative costs for the district or subdistrict have been received, after deducting the amount of the state grant.

LOCAL MATCH EXAMPLE:
Expenses:
- Cleanup Cost: $100,000
- Total Project Cost
  - Demolition: $50,000
  - Cleanup Cost (see above): $100,000
  - $150,000

Funding Formula:
1/2 of Total Project Cost = $75,000 (this is your local match)
12% of Cleanup Cost = $12,000 (must come from property tax levy, etc. as described above)
$75,000 - $12,000 = $63,000 (must come from TIF, etc. as described above)

Please note that the grant can pay for up to 75% of the cleanup cost, not to exceed 50% of the project cost. Therefore, while the statute requires the applicant to demonstrate a local match of 50% of the project cost, the municipality may end up paying more, depending on how their cleanup and project costs fit into this formula. In other words, if the applicant receives a grant, the amount of the grant will either be 75% of the cleanup costs or 50% of the project costs, whichever is less. Thus, the municipality either pays 25% of the cleanup costs or 50% of the project cost, whichever is more.

APPRAISALS: An appraisal of the current market value of the property (with contaminants) and an appraisal of the site after cleanup are required. Both values may be included in a single appraisal. The required appraisal must be prepared by a qualified independent appraiser using accepted appraisal methodology. No other appraisals will be accepted.

AWARDING GRANTS: Due to environmental contamination that has affected many communities throughout Minnesota, a large number of applicants are expected to apply for the contamination cleanup grants. The law allows the Department of Trade and Economic Development to make grants for sites that provide the highest return in public benefits for the public costs incurred and that meet all the statutory requirements. In order to evaluate the applications for public benefits with respect to the costs incurred, the law specifies priorities which DTED must consider. To fulfill this requirement of reviewing applications in an
objective and fair manner, the following required criteria have been assigned maximum point values in order to systematically award grants. All assigned scores will be relative to scores awarded to other applications.

1. The potential increase in the property tax base of the local taxing jurisdictions relative to the fiscal needs of the jurisdictions, that will result from developments that will occur because of completion of each of the approved response actions. Maximum = 30 points.

2. The social value to the community that will result from cleaning up and redeveloping the site. In order to evaluate social value, the application requires that you indicate the estimated number of jobs that will be created through developing the site after cleanup, the value of the public and private investment, removal of blighting influences and the reduction or elimination of health threats. Maximum = 30 points.

3. All applications will be forwarded to the MPCA. MPCA staff will review and rank each application according to the potential threat to human health and the environment that would be reduced or eliminated by completion of each of the response action plans. Maximum = 30 points.

4. The likelihood that each site will be cleaned up without use of government money in the reasonably foreseeable future. Maximum = 10 points.

5. The amount of cleanup costs for each site in inverse relationship to the public benefits derived from the cleanup. Maximum = 20 points.

6. The amount and level of the commitment of municipal or other local resources to pay for the cleanup costs. Maximum = 10 points.

IMPORTANT: Some of the information required on the following pages may be included in your MPCA approved Response Action Plan (RAP) or, if you are applying for Metropolitan Council money, the Metropolitan Council’s Tax Base Revitalization Program. Rather than duplicate this information on DTED forms, you may simply attach excerpts from your approved RAP or Tax Base Revitalization application. Be sure to highlight the applicable information and indicate on this application which information you are submitting excerpts for.

For your convenience, an application checklist has been included on page 14.
L.
REQUIRED INFORMATION - SITE IDENTIFICATION/GENERAL PROJECT INFORMATION

HISTORY
1. Please attach a brief synopsis on the history and general background of this site and project (limit to 3 pages).

GENERAL INFORMATION
2. Applicant ____________________________ 

Project Contact Person______________________________________________

Address___________________________________________________________

City_________________________ State _____ Zip Code____________________

Phone / Fax

3. Municipality (if applicant is an EDA, HRA or Port Authority)________________________________________

4. If the site is located in the seven-county metropolitan area as defined in MS 473.121, Subd. 2, you must be participating in the Metropolitan Council's Housing Incentives Program to qualify for this grant. Please attach a copy of your city council resolution required by the Metropolitan Council indicating your election to participate in the program.

SITE INFORMATION
5. Name of Site:_____________________________________________________

(Bldg Name, Location Reference, etc.)

Site Address:________________________________________________________

City (or Township)_________________________ State _____ Zip Code________

6. Site Contact Person (if different than project contact)____________________

Address___________________________________________________________

City_________________________ State _____ Zip Code____________________

Phone / Fax
7. Current Property Owner ____________________ Title __________________

Address ________________________________

City __________________ State ______ Zip Code ______

Phone _______/ _______ - ________________

8. Names(s) of current environmental consultant and legal counsel if applicable

Consultant _______________________________ Phone ___________

Attorney ______________________ Phone ___________

9. Legal description of site:


10. Attach an accurate and legible site map excerpt from the RAP showing locations of prominent and relevant site features such as buildings, retaining walls, etc. (NOTE: site map shall include property boundaries, a north arrow and bar scale)

11. Square footage of site ________ Acres of site ________

12. Zoning/Land Use:

A. Current: Industrial ______ Commercial ______ Residential ______

Mixed-use ______

Other (Specify) ________________

B. After Cleanup: Industrial ______ Commercial ______ Residential ______

Mixed-use ______

Other (Specify) ________________

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13. Economic condition:
   Vacant lot ___ Developed site ___ Other (Specify) __________________________
   Occupied ______

14. How many buildings on site?
   Commercial __________________________ Residential __________________________

15. Is demolition required? __________________________

16. Year building was built: __________________________

II.
REQUIRED INFORMATION- CONTAMINATION

17. You must attach a copy of the final approval letter to your Response Action Plan from the Minnesota Pollution Control Agency. Also, attach excerpts from the RAP that indicate the extent to which the site is contaminated (including an acceptable cleanup number if available), the long term affects of the proposed cleanup (permanence of the removal and treatment of contaminants), the technical means of cleanup. Excerpts describing the nature of the problem along with the source of the contaminants must be included as well.

18. You must provide a detailed project schedule outlining the individual tasks and schedules of the overall project (cleanup and redevelopment). There is a project schedule on page 9 that you are required to complete. Indicate on this form the individual tasks involved in the project (timelines for implementing response actions/cleanup, construction, demolition or any other project activities) and the expected month and year of the activity.

19. If the site is involved with other regulatory or funding programs (i.e., Department of Natural Resources, Department of Agriculture, MPCA Hazardous Waste, etc.) please indicate in the space below:

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<td>Contact Name</td>
<td>Funding Commitment</td>
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<td>Contact Name</td>
<td>Funding Commitment</td>
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III.
REQUIRED INFORMATION -COST ANALYSIS

Please note that a grant may pay for up to 75% of the cleanup costs for a qualifying site but may not exceed 50% of the project cost. See explanation under "Local Match Requirement" on page III.

COSTS
20. The following are required to evaluate costs of cleanup. Please attach the following.
Label each attachment with the titles listed in letters A - E below.

A. A detailed line item cleanup budget (see page II for definition of cleanup costs).
B. A detailed line item project budget (see page II for definition of project costs).
C. An appraisal of the current market (pre-cleanup) value of the property.
D. An appraisal of the value of the site after cleanup (post cleanup).

PROPERTY TAXES
21. What are the property taxes on this property for the current year? $__________

22. What is the projected property tax on the site after cleanup? $__________
   A. How was this figure determined? ______________________________________
   B. Who determined it? ___________________________________________________________________

FINANCING
23. Please submit an audit, or financial statement if an audit is not available, from the municipality in which the site is located.

24. Is there a possibility that the site will be cleaned up without government money?

A. If yes, what are the sources of funding and dollar commitment from each?

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B. If no, what efforts have been made to secure other funding?

Attach letters of rejection for funding requests, city council minutes, etc. Also attach a narrative explaining why the project can't be financed exclusively with local resources. Explain cash reserves that may appear in your audit. Are they dedicated to other capital improvement projects? If so, how much?

C. Are there any commitments from the municipality or other local resources to contribute to cleanup costs other than the required local match?

D. If yes, what are they?

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E. Is a cost recovery plan to recover costs from responsible parties in place? If so, what is the plan and amount of costs to be recovered? Has consent of the Attorney General been attained? **NOTE:** It is not required that you have a plan to recover costs from the party responsible for the contamination. However, if you are planning on recovering your costs from the responsible party, attach information on the process.
F. Local Match Requirement.

I. 1/2 of the Project Cost = _____________ (this is the amount you must pay in local match)

II. 12% of the Cleanup Cost = _____________ (this amount must come from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality (excluding TIF). Unrestricted money can be funds spent on project costs other than cleanup costs and qualify here). Please list source and amount below.

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TOTAL $___________

III. Subtract figure II. from I. above. This is the remaining amount of the local match that must be met. This money may come from TIF, regional, state, or federal money available for the redevelopment of brownfields or any other money available to the municipality. Please list source and amount below.

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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</table>

TOTAL $___________

GRAND TOTAL (This should equal local match in I. above) $___________
IV. REQUIRED INFORMATION - DEVELOPMENT ASSESSMENT POTENTIAL AFTER CLEANUP

POST CLEANUP DEVELOPMENT

25. What are the development plans for the site after cleanup and implementation of the RAP? Please specify development projects (business name, public facility, etc.).

26. Will the site be improved with buildings or other improvements? When will these improvements begin (this should correspond to the project schedule on page 9)?

27. Is there a commitment from a third party to develop the site after cleanup? If yes, attach commitment letters, capitol improvement plans, city council resolutions, etc.

28. What is the estimated cost of these developments? $________________

29. What is the expected property tax increase for these improvements/developments? Refer to the local taxing jurisdiction's tax capacity value. $________________
V.
REQUIRED - ADDITIONAL INFORMATION

<table>
<thead>
<tr>
<th>Position Title</th>
<th>Total Number of Jobs/FTE</th>
<th>Annual Salary Per Job</th>
<th>Expected Hiring Date</th>
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</table>

Total Number of All Jobs Created

30. If the applicant intends to develop the site after cleanup, please project the number of private sector jobs created after cleanup and development of site (attach additional pages if necessary).
## Project Schedule

<table>
<thead>
<tr>
<th>TASKS</th>
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</tr>
</tbody>
</table>
VII.
THIRD PARTY/COMPANY COMMITMENT INFORMATION

If there is a commitment from a third party to develop on the site after cleanup, please complete the following:

31. Third Party/Company Name: ____________________________

32. Contact Person: ________________________________________
   Title: _________________________________________________
   Phone Number (include area code): ________________________

33. 1. Standard Industrial Code Number(s): _________________
    2. Employer's Identification Numbers:
       State ________________________________________________
       Federal _____________________________________________
VIII.
PAYMENT INFORMATION

Payment Information
Mailing Address:__________________________________________

Contact Person:__________________________________________

Telephone Number (include area code):_______________________

Fax Number (include area code):_____________________________

Minnesota Identification Number:____________________________

Federal Employer Identification Number:______________________
IX.
REQUIRED MATERIAL - LOCAL GOVERNMENT RESOLUTION

You must attach a resolution approving this application and committing the local match from the governing body of the municipality in which the site is located. A blank resolution has been attached for your convenience. You may choose to re-format this resolution but make sure to include all the statements that appear in the resolution.

RESOLUTION OF APPLICANT.

Applicants must adopt and submit the following resolution. This resolution must be adopted prior to submission of the application package.

BE IT RESOLVED that ________________ act as the legal sponsor for project(s) (Applicant) contained in the Contamination Cleanup Grant Program to be submitted on ________________ (Day, Month, Year) and that ________________ is hereby authorized to apply for the Department of (Title of Authorized Official) Trade and Economic Development for funding of this project on behalf of ________________ (Applicant).

BE IT FURTHER RESOLVED that ________________ has the legal authority to (Applicant) apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application are committed to the project identified.

BE IT FURTHER RESOLVED that ________________ (Applicant) has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion,
conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state,

________________________ may enter into an agreement with the State of Minnesota for

(Applicant)

the above referenced project(s), and that ________________ certifies that it will comply with

(Applicant)

all applicable laws and regulation as stated in all contract agreements.

NOW, THEREFORE BE IT RESOLVED that ________________ is hereby

(Title of Authorized Official)

authorized to execute such agreements as are necessary to implement the project(s) on behalf

of the applicant.

I CERTIFY THAT the above resolution was adopted by the ________________

(City Council, County Board, etc.)

of __________________________ on __________________________

(Applicant) (Date)

SIGNED: WITNESSED:

________________________

(Authorized Official) (Signature)

________________________

(Title) (Date) (Title) (Date)
<table>
<thead>
<tr>
<th>APPLICATION PACKAGE ATTACHMENT CHECKLIST</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Site Identification/General Project Information</td>
</tr>
<tr>
<td>Attachments:</td>
</tr>
<tr>
<td>1. Site History/Background Narrative</td>
</tr>
<tr>
<td>2. City Council Resolution for Metro Council's Housing Incentives Program (metro applicants only)</td>
</tr>
<tr>
<td>3. Site Map</td>
</tr>
<tr>
<td>II. Contamination Information</td>
</tr>
<tr>
<td>Attachments:</td>
</tr>
<tr>
<td>1. RAP approval letter</td>
</tr>
<tr>
<td>2. Required RAP excerpts</td>
</tr>
<tr>
<td>A. Extent of Site Contamination</td>
</tr>
<tr>
<td>B. Long Term Effects of Cleanup</td>
</tr>
<tr>
<td>C. Technical Means of Cleanup</td>
</tr>
<tr>
<td>D. Nature of Problem/Source Analysis</td>
</tr>
<tr>
<td>E. Schedule for Implementing Response Actions and Redevelopment</td>
</tr>
<tr>
<td>III. Cost Analysis</td>
</tr>
<tr>
<td>Attachments:</td>
</tr>
<tr>
<td>1. Line item cleanup budget</td>
</tr>
<tr>
<td>2. Line item project budget</td>
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<tr>
<td>3. Appraisal (with contaminants)</td>
</tr>
<tr>
<td>4. Appraisal (without contaminants)</td>
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<tr>
<td>5. Audit from municipality</td>
</tr>
<tr>
<td>6. Local Resources Financing Narrative</td>
</tr>
<tr>
<td>7. Audit Reserve Narrative</td>
</tr>
<tr>
<td>8. Cost Recovery Plan (if applicable)</td>
</tr>
<tr>
<td>IV. Development Assessment Potential After Cleanup</td>
</tr>
<tr>
<td>Attachments:</td>
</tr>
<tr>
<td>1. Third party commitment Letters, etc</td>
</tr>
<tr>
<td>V. Jobs Creation</td>
</tr>
<tr>
<td>VI. Project Schedule.</td>
</tr>
<tr>
<td>VII. Third Party/Company Commitment Information</td>
</tr>
<tr>
<td>VIII. Payment Information</td>
</tr>
<tr>
<td>IX. Local Government Resolution</td>
</tr>
</tbody>
</table>
This conference committee report was drafted and approved by the Reviser's Office

Date

CONFERENCE COMMITTEE REPORT ON H.F. NO. 632

A bill for an act relating to public administration; modifying requirements for spending to improve the capitol area and construct bridges, environmental learning centers, and community performing arts centers; appropriating money; amending Laws 1994, chapter 643, sections 3, subdivision 2; 15, subdivisions 2 and 4; and 23, subdivision 28, as amended; and Laws 1996, chapter 463, sections 13, subdivision 2; and 24, subdivision 8; repealing Laws 1996, chapter 463, section 7, subdivision 26.

May 19, 1997

The Honorable Phil Carruthers
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 632, 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. 632 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CAPITAL IMPROVEMENTS APPROPRIATIONS.] The sums 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 to acquire and to better public land and buildings and other public
improvements of a capital nature, as specified in this act.

SUMMARY

<table>
<thead>
<tr>
<th>Agency</th>
<th>Appropriation ($)</th>
</tr>
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<tbody>
<tr>
<td>MINNESOTA STATE COLLEGES AND UNIVERSITIES</td>
<td>4,500,000</td>
</tr>
<tr>
<td>NATURAL RESOURCES</td>
<td>4,000,000</td>
</tr>
<tr>
<td>POLLUTION CONTROL AGENCY</td>
<td>7,400,000</td>
</tr>
<tr>
<td>PUBLIC FACILITIES AUTHORITY</td>
<td>7,000,000</td>
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<tr>
<td>AGRICULTURE</td>
<td>4,000,000</td>
</tr>
<tr>
<td>ADMINISTRATION</td>
<td>74,035,000</td>
</tr>
<tr>
<td>TRADE AND ECONOMIC DEVELOPMENT</td>
<td>7,000,000</td>
</tr>
<tr>
<td>TRANSPORTATION</td>
<td>3,000,000</td>
</tr>
<tr>
<td>BOND SALE EXPENSES</td>
<td>90,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>111,025,000</td>
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</tbody>
</table>

Appropriations

Sec. 2. MINNESOTA STATE COLLEGES AND UNIVERSITIES

Hibbing Community and Technical Colleges 4,500,000

This appropriation is to the board of trustees of the Minnesota state colleges and universities to construct additions and install related electrical and mechanical utilities at the community college site to prepare for collocation of programs.

Sec. 3. NATURAL RESOURCES

Flood Damage Reduction 4,000,000

This appropriation is to the commissioner of natural resources to fund flood damage reduction projects under Minnesota Statutes, section 103F.161, including the nonfederal portion of federal hazard mitigation grant program projects. The appropriation is available until expended.

Sec. 4. POLLUTION CONTROL AGENCY

Subdivision 1. To the commissioner of the pollution control agency for the purposes specified in this section 7,400,000

Subd. 2. Individual Sewage Treatment Grants 1,000,000
This one-time appropriation is from the general fund for grants to municipalities for the purposes specified in Minnesota Statutes, section 116.18, subdivision 3c.

For purposes of grants awarded under this section, the definition of "individual on-site treatment system" in Minnesota Statutes, section 116.18, subdivision 3c, paragraph (b), also includes an alternative discharging sewage system serving one or more dwellings and other establishments that discharges less than 10,000 gallons of water per day and uses any treatment and disposal methods other than subsurface soil treatment and disposal, as permitted under Minnesota Statutes, section 115.58.

Up to ten percent of this appropriation may be used for administration of the grants.

This appropriation is from the motor vehicle transfer fund for transfer to the environmental response, compensation, and compliance fund and is appropriated for the purposes provided in Minnesota Statutes, chapter 115B. This amount must be included in the agency's budgetary base for the next biennium.

This appropriation is from the general fund.

This appropriation is to the public facilities authority for loans to eligible municipalities under the wastewater infrastructure funding program established in Minnesota Statutes, section 446A.072.

From this appropriation, the public facilities authority shall provide supplemental assistance to a municipality that, before the first loans were made from the wastewater infrastructure fund, incurred increased project costs as a result of a wastewater discharge into outstanding resource value water. "Outstanding resource value water" is water that has high water quality, wilderness characteristics, unique scientific or ecological significance, exceptional recreational value, or other special qualities that warrant stringent protection from pollution. The amount of supplemental assistance under this paragraph is up to 100 percent of the

Section 5
increased project costs to comply with
the applicable discharge restrictions.
The agency shall determine the amount
of project costs attributable to the
discharge restrictions to the
outstanding resource value water. A
municipality may appeal the agency's
determination to the public facilities
authority within 60 days of
notification of the determination.

The public facilities authority, in
conjunction with the pollution control
agency, shall analyze and report to the
legislature by January 15, 1998, the
long-term financial implications to the
wastewater infrastructure fund of
providing supplemental assistance for
increased costs incurred for projects
that discharge wastewater into
outstanding resource value water.

Sec. 6. AGRICULTURE

Individual Sewage Treatment Systems

This one-time appropriation from the
general fund is to the commissioner of
agriculture to provide loans to
counties for loans to property owners
under Minnesota Statutes, section
17.117 or 115.57.

Individual counties may elect to apply
for and administer the loans under the
agricultural best management loan
practices program established in
Minnesota Statutes, section 17.117, or
under section 115.57. Regardless of
the section a county applies under, the
commissioner shall review and rank
allocation requests from counties under
the procedure and relevant criteria
listed in Minnesota Statutes, section
17.117, subdivision 9. Loans made
under Minnesota Statutes, section
17.117, with money appropriated under
this section must be used for site
evaluation, design, installation,
repair, and replacement of individual
sewage treatment systems only.

Notwithstanding the eligibility
criteria in Minnesota Statutes, section
17.117, subdivisions 1; and 4,
paragraph (e), all private landowners
in a county may apply for loans made
under this section. Loans made under
Minnesota Statutes, section 115.57, may
be used for any of the purposes
specified in that section. Counties
receiving funds under this section must
use the funds to administer loan
programs on a countywide basis.

Sec. 7. TRADE AND ECONOMIC DEVELOPMENT

Contaminated Site Cleanup

$5,600,000 of this appropriation is
from the general fund.
1 $1,400,000 of this appropriation is
2 from the motor vehicle transfer fund.

3 This appropriation is for transfer to
4 the contaminated site cleanup and
d5 development account and is appropriated
6 for the purposes specified in Minnesota
7 Statutes, section 116J.551. Of this
8 amount, $7,000,000 must be included in
9 the department's budget base for the
10 next biennium.

11 Sec. 8. TRANSPORTATION
12
13 Local Bridge Replacement and
14 Rehabilitation

15 This appropriation is from the
16 transportation fund as provided in
17 Minnesota Statutes, section 174.50, to
18 match federal funds and to replace or
19 rehabilitate local deficient bridges.

20 Political subdivisions may use grants
21 made under this section to construct or
22 reconstruct bridges, including:

23 (1) matching federal-aid grants to
24 construct or reconstruct key bridges;

25 (2) paying the costs to abandon an
26 existing bridge that is deficient and
27 in need of replacement, but where no
28 replacement will be made;

29 (3) paying the costs to construct a
30 road or street to facilitate the
31 abandonment of an existing bridge
32 determined by the commissioner to be
33 deficient, if the commissioner
34 determines that construction of the
35 road or street is more cost-efficient
36 than the replacement of the existing
37 bridge; and

38 (4) paying the costs of preliminary
39 engineering and environmental studies
40 authorized under Minnesota Statutes,
41 section 174.50, subdivision 6a.

42 Sec. 9. BOND SALE EXPENSES

43 To the commissioner of finance for bond
44 sale expenses under Minnesota Statutes,
45 section 16A.641, subdivision 8.

46 Sec. 10. [BOND SALE AUTHORIZATIONS.]

47 Subdivision 1. [BOND PROCEEDS FUND.] To provide the money
48 appropriated in this act from the bond proceeds fund the
49 commissioner of finance, on request of the governor, shall sell
50 and issue bonds of the state in an amount up to $86,625,000 in
51 the manner, upon the terms, and with the effect prescribed by
52 Minnesota Statutes, sections 16A.631 to 16A.675, and by the
53 Minnesota Constitution, article XI, sections 4 to 7.
Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, on request of the governor, shall sell and issue general obligation bonds of the state in an amount up to $3,000,000 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.

Sec. 11. Minnesota Statutes 1996, section 16B.335, subdivision 3, is amended to read:

Subd. 3. [PREDESIGN REQUIREMENT.] The definitions in paragraphs (a) and (b) apply to this section.

(a) "Predesign" means the stage in the development of a project during which the purpose, scope, cost, and schedule of the complete project are defined and instructions to design professionals are produced.

(b) "Design" means the stage in the development of a project during which schematic, design development, and contract documents are produced.

(c) A recipient to whom an appropriation is made for a project subject to review under subdivision 1 or notice under subdivision 2 shall prepare a predesign package and submit it to the commissioner for review and recommendation before proceeding with design activities. The commissioner must complete the review and recommendation within ten working days after receiving it. Failure to review and recommend within the ten days is considered a positive recommendation. The predesign package must be sufficient to define the purpose, scope, cost, and schedule of the project and must demonstrate that the project has been analyzed according to appropriate space needs standards.

Sec. 12. Minnesota Statutes 1996, section 115C.09, is amended by adding a subdivision to read:

Subd. 3e. [REIMBURSEMENTS; SMALL GASOLINE RETAILERS.] (a)
As used in this subdivision, "small gasoline retailer" means a responsible person who owns no more than one location where motor fuel was dispensed into motor vehicles or aircraft in the previous year.

(b) For eligible applicants who are small gasoline retailers that have dispensed less than 500,000 gallons of motor fuel during the most recent calendar year that petroleum products were dispensed at the location owned by the retailer, the board shall reimburse the applicant for 90 percent of the applicant's total reimbursable cost for tank removal projects started after January 1, 1997, including, but not limited to, closure in place, backfill, resurfacing, and utility service restoration costs, provided that the tank involved is a regulated underground storage tank.

(c) For eligible applicants who are small gasoline retailers that have dispensed less than 250,000 gallons of motor fuel during the most recent calendar year that petroleum products were dispensed at the location owned by the retailer, provided that the tank involved is a regulated underground storage tank, the board shall reimburse the applicant for 95 percent of the following costs:

(1) tank removal costs described in paragraph (b); and

(2) petroleum contamination cleanup as provided under subdivision 1.

(d) This subdivision expires January 1, 2000.

Sec. 13. Minnesota Statutes 1996, section 116.18, subdivision 3c, is amended to read:

Subd. 3c. [INDIVIDUAL ON-SITE TREATMENT SYSTEMS PROGRAM.]

(a) Beginning in fiscal year 1989, up to ten percent of the money to be awarded as grants under subdivision 3a in any single fiscal year, up to a maximum of $1,000,000, may be set aside for the award of grants by the authority agency to municipalities to reimburse owners of individual on-site wastewater treatment systems for a part of the costs of upgrading or replacing the systems.

(b) An individual on-site treatment system is a wastewater treatment system located on a single parcel of land and serves a single residence.
treatment system, or part thereof, that uses soil treatment and disposal technology to treat 5,000 gallons or less of wastewater per day from dwellings or other establishments.

(c) Municipalities may apply yearly for grants of up to 50 percent of the cost of replacing or upgrading individual on-site treatment systems within their jurisdiction, up to a limit of $5,000 per system or per connection to a cluster system. Before agency approval of the grant application, a municipality must certify that:

(1) it has adopted and is enforcing the requirements of Minnesota Rules governing individual sewage treatment systems;

(2) the existing systems for which application is made do not conform to those rules, were constructed prior to January 1, 1977 are at least 20 years old, do not serve seasonal residences, and were not constructed with state or federal funds; and

(3) the costs requested do not include administrative costs, costs for improvements or replacements made before the application is submitted to the authority agency unless it pertains to the plan finally adopted, and planning and engineering costs other than those for the individual site evaluations and system design.

(d) The federal and state regulations regarding the award of state and federal wastewater treatment grants do not apply to municipalities or systems funded under this subdivision, except as provided in this subdivision.

(e) The authority shall award individual on-site wastewater treatment grants to municipalities selected by the state pollution-control-commissioner upon certification by the state pollution-control-commissioner that the municipalities applications have been reviewed and approved in accordance with this subdivision and agency rules adopted under paragraph (f), The agency shall adopt permanent rules regarding priorities, distribution of funds, payments, inspections, procedures for administration of the agency's duties, and other matters that the agency finds necessary for

Section 13
proper administration of grants awarded under this subdivision.

The commissioner of trade and economic development may adopt rules containing procedures for administration of the authority's duties as set forth in paragraph (e). Sec. 14. Minnesota Statutes 1996, section 116J.554, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] (a) The commissioner may make a grant to an applicant development authority to pay for up to 75 percent of the cleanup project costs for a qualifying site, except the grant may not exceed 50 percent of the project costs.

(b) The commissioner may also make a grant to an applicant development authority to pay up to 75 percent or $50,000, whichever is less, toward the cost of performing contaminant investigations and the development of a response action plan for a qualifying site.

(c) The commissioner may also make a grant to an applicant to fill a site that would represent more than 50 percent of the remaining land in a city suitable for industrial development if it were properly filled.

(d) The determination of whether to make a grant for a qualifying site is within the sole discretion of the commissioner, subject to the process provided by this section, and available unencumbered money in the appropriation. The commissioner's decisions and application of the priorities under section 116J.555 are not subject to judicial review, except for abuse of discretion.

(e) The total amount of money provided in grants under paragraph (b) may not exceed $250,000 per fiscal year.

(f) In making grants under paragraph (b), the commissioner shall give priority to applicants that have not received a grant under paragraph (a) or section 473.252 during the year ending on the date of application.

Sec. 15. Minnesota Statutes 1996, section 116J.554, subdivision 2, is amended to read:

Subd. 2. [QUALIFYING SITES.] A site qualifies for a grant under this section, if the following criteria are met:

Section 15
(1) the site is not scheduled for funding during the current or next fiscal year under the Comprehensive Environmental Response, Compensation, and Liability Act, United States Code, title 42, section 9601, et seq. or under the environmental response, and liability act under sections 115B.01 to 115B.24;

(2) the appraised value of the site after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology (i) is less than 56 75 percent of the estimated cleanup project costs for the site or (ii) is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed $3 per square foot for the site; and

(3) if the proposed cleanup is completed, it is expected that the site will be improved with buildings or other improvements and these improvements will provide a substantial increase in the property tax base within a reasonable period of time or the site will be used for an important publicly owned or tax-exempt facility.

Sec. 16. Minnesota Statutes 1996, section 116J.556, is amended to read:

116J.556 [LOCAL MATCH REQUIREMENT.]

(a) In order to qualify for a grant under sections 116J.551 to 116J.557, the municipality must pay for at least one-half one-quarter of the project costs as a local match. The municipality shall pay an amount of the project costs equal to at least 12 percent of the cleanup costs from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality (excluding tax increments). These unrestricted moneys may be spent for project costs, other than cleanup costs, and qualify for the local match payment equal to 12 percent of cleanup costs. The rest of the local match may be paid with tax increments, regional, state, or federal money available for the redevelopment of brownfields or any other money available to the municipality.

(b) If the development authority establishes a tax
increment financing district or hazardous substance subdistrict on the site to pay for part of the local match requirement, the district or subdistrict is not subject to the state aid reductions under section 273.1399. In order to qualify for the exemption from the state aid reductions, the municipality must elect, by resolution, on or before the request for certification is filed that all tax increments from the district or subdistrict will be used exclusively to pay (1) for project costs for the site and (2) administrative costs for the district or subdistrict. The district or subdistrict must be decertified when an amount of tax increments equal to no more than three times the costs of implementing the response action plan for the site and the administrative costs for the district or subdistrict have been received, after deducting the amount of the state grant.

Sec. 17. [116J.57] [UNDERGROUND PETROLEUM TANK REPLACEMENT LOAN PROGRAM.]

Subdivision 1. [LOAN PROGRAM.] (a) The commissioner shall establish and implement an underground petroleum tank replacement loan program to facilitate the continued operation of small gasoline retailers, as defined in section 115C.09, subdivision 3e, paragraph (a), in this state.

(b) The commissioner may make a direct loan for the cost of a replacement tank to a small gasoline retailer who has dispensed less than 500,000 gallons of motor fuel during the previous year who demonstrates an ability to repay the loan. The interest rate on the loan shall not exceed three percent per year, and the term of the loan may not exceed seven years. Loans made under this subdivision may not exceed $10,000 or the total out-of-pocket expenses of the small gasoline retailer for tank replacement, whichever is less. Payments on the principal shall be credited to the petroleum tank fund under section 115C.08. The interest payments must be deposited in the state treasury and credited to an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the underground petroleum tank.

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replacement loan program.

Subd. 2. [APPROPRIATION.] An amount necessary is appropriated from the petroleum tank release cleanup fund to the commissioner of trade and economic development for the underground petroleum tank replacement loan program established under this section.

Subd. 3. [EXPIRATION.] This section expires January 1, 2000.

Sec. 18. Minnesota Statutes 1996, section 446A.072, is amended by adding a subdivision to read:

Subd. 4a. [LOAN REPAYMENT; NEW DEVELOPMENT.] (a) For the purposes of this subdivision, "loan" includes a loan that has been forgiven under this section.

(b) A municipality that receives a supplemental assistance loan under this section that, within 20 years after receiving the assistance, extends sewer service to serve a residential, industrial, or commercial development that is completed on unplatted land after March 1, 1996, or that is on a lot whose plat was recorded after that date, must repay a portion of the loan to the authority before providing the sewer connection. The commissioner shall calculate the amount to be repaid by first determining the number of households included in the extension financed by the original loan. The commissioner must then determine the present value of the original loan amount. The interest rate used to calculate the present value must be equivalent to the interest rate on the loan made to the municipality under section 446A.07 at the time of the original supplemental assistance loan under this section. The commissioner must then divide the present value of the loan by the number of households included in the original loan. For an extension to a residential development, the repayment to the authority must be equal to the per household amount calculated for the original loan multiplied by the number of households in the proposed extension. For an extension to a commercial or industrial development, the commissioner shall determine the repayment to the authority by using the per household amount.
calculated for the original loan to calculate a proportionally
equivalent amount based on the projected wastewater discharge
from the proposed development. The total repayments to the
authority under this paragraph may not exceed the original
amount of the supplemental assistance loan. The repayment must
be processed as provided in subdivision 7.

(c) The authority shall waive the loan repayment if the
commissioner determines that the community in which the sewer
extension is undertaken meets the following conditions:

(1) there is a shortage of decent, safe, and affordable
housing;

(2) the housing units served by the sewer extension are
located in an incorporated area; and

(3) the housing units served by the sewer extension are
moderately priced.

The authority shall also waive the loan repayment if the
commissioner determines that the population of the community in
which the sewer extension is undertaken has declined by more
than ten percent since the preceding federal decennial census.

The commissioner shall provide the determinations made
under this paragraph to the authority to be included in the
reports required by subdivision 11.

Sec. 19. Laws 1994, chapter 643, section 3, subdivision 2,
is amended to read:

Subd. 2. Restore and Renovate
Capitol Building Exterior

To the commissioner of administration
to renovate and improve the capitol
including reroofing, repair of the roof
balustrade, and Quadriga restoration,
and for an exterior stone testing
program. No more than $35,000 of this
appropriation is to the capitol area
architectural and planning board for
design review fees.

Sec. 20. Laws 1994, chapter 643, section 10, subdivision
10, as amended by Laws 1995, First Special Session chapter 2,
article 1, section 42, is amended to read:

Subd. 10. Rochester-Technical-College University
Center Rochester

This appropriation is to the board of
trustees of the Minnesota state
colleges and universities for predesign
and design of an integrated campus in
accordance with this subdivision.

$688,000 of this appropriation is
available immediately; the remainder
is available after a master academic
plan has been approved under clause (3)
and the technical college has been
sold, remodeling of student support
facilities, remodeling of facilities
for joint academic programming, and
construction of roads and other
infrastructure to integrate the campus
for the delivery of consolidated
college, state university, and
University of Minnesota programs at the
University Center Rochester. Planning
may include consideration of
codevelopment of facilities with local
units of government.

(1) The board of trustees of the
Minnesota state colleges and
universities may enter into an
agreement for the sale of the Rochester
technical college. The sale is
contingent on the approval of the board
of trustees and a determination by the
board of trustees that the sale is
consistent with its priorities; the sale
price shall equal the appraised
value if sold to independent school
district No. 5357 Rochester or if
sold to any other party, the sale price
shall not be less than the appraised
value.

It is the intent of the legislature
that no technical college program
reduction apart from normal program
review shall occur as a result of this
sale.

(2) The sale shall not cause the
technical college to lease space or to
move to any temporary site.

(3) Prior to the preparation of design
documents, the post-secondary boards
and the relevant campus staff shall
jointly prepare a master academic plan
for an integrated campus for the
Rochester center facility. The boards
shall consider the creation of a
polytechnic university. The plan shall
be submitted for review to the higher
education finance division by January
16, 1996 and must be approved by the
legislature before the remaining
$688,000 of the appropriation is
available.

(4) The proceeds from the sale of the
technical college are appropriated for
the design and construction necessary
to integrate technical college programs
into the Rochester center and to add or
modify space where necessary. The new
technical college program space must be
attached to and must maximize the

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Sec. 21. Laws 1994, chapter 643, section 15, subdivision
2, is amended to read:
Sec. 22. Laws 1994, chapter 643, section 15, subdivision
4, is amended to read:
Subd. 2. Bloomington Ferry Bridge
This appropriation is from the state
transportation fund as provided in
Minnesota Statutes, section 174.50, to
match federal funds to complete
construction of the Bloomington ferry
bridge and approaches.
This appropriation is added to the
appropriation in Laws 1993, chapter
373, section 14, subdivision 2.
Subd. 4. Local Bridge
Replacement and Rehabilitation
This appropriation is from the state
transportation fund as provided in
Minnesota Statutes, section 174.50, to
match federal funds and to replace or
rehabilitate local deficient bridges.
Political subdivisions may use grants
made under this section to construct or
reconstruct bridges, including:
(1) matching federal-aid grants to
construct or reconstruct key bridges;
(2) paying the costs to abandon an
existing bridge that is deficient and
in need of replacement, but where no
replacement will be made;
(3) paying the costs to construct a
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road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost-efficient than the replacement of the existing bridge; and

(4) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a.

Sec. 23. Laws 1994, chapter 643, section 19, subdivision 8, as amended by Laws 1995, First Special Session chapter 2, article 1, section 45, is amended to read:

Subd. 8. Battle Point Historic Site

This appropriation is to the Indian Affairs Council for design of the Battle Point historic site, preliminary plans for which were authorized in Laws 1990, chapter 610, article 1, section 17, and Laws 1992, chapter 598, section 24, subdivision 5.

Notwithstanding Laws 1990, chapter 610, article 1, section 17, the planned educational center will be owned by the independent school district of the Bass Lake-Bena school district with custodial control assigned to the Indian Affairs Council, and is subject to Minnesota Statutes, section 16A.695. The center must be constructed on land leased to the school district state by the Leech Lake Band of Chippewa Indians under a ground lease having an initial term of at least 20 years and a total term of at least 40 years, including renewal options. The ground lease must be executed by the commissioner of administration under Minnesota Statutes, section 16B.24, subdivision 6, based on the recommendations of the Indian Affairs Council, provided that, notwithstanding the limitations of section 16B.24, subdivision 6, the lease must be for the initial term described in this subdivision. The ground lease must be administered by the Indian Affairs Council. The school district Indian Affairs Council must contract with the Leech Lake Band to operate the center on behalf of the council. The center and all classes and programs run by or through the center must be open to the public. Notwithstanding Minnesota Statutes, section 3.922, for the purposes of carrying out the duties assigned to it in this subdivision, the Indian Affairs Council is authorized to assume custodial control over the planned educational center, administer the ground lease, enter into the

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contract described in this subdivision,
with the Leech Lake Band to operate the
center, and take any other action
necessary to carry out the duties
assigned to it in this subdivision and
to a public officer or agency by
Minnesota Statutes, section 16A.695.

Sec. 24. Laws 1994, chapter 643, section 23, subdivision
28, as amended by Laws 1995, First Special Session chapter 2,
article 1, section 48, is amended to read:

Subd. 28. Environmental Learning Centers

This appropriation is to the
commissioner of natural resources to
plan, design, and construct facilities
owned by political subdivisions at
residential environmental learning
centers as provided in this subdivision
and new Minnesota Statutes, section
84.0875.

The appropriations in items (a) through
to and (b) are available as follows:
(1) of the $7,500,000 total, $5,000,000
is available only when the commissioner
has determined that matching money in
the sum of $12,500,000, up to 25
percent of which may consist of loans,
has been committed by nonstate
sources for predesign, design, and
construction of the facilities named in
items (a) and (b), and the following
privately owned residential
environmental learning centers: Wolf
Ridge Environmental Learning Center,
Northwoods Audubon Center, and
Southeastern Minnesota Forest Resource
Center; and (2) the remaining
$2,500,000 is available to the extent
that matching money, which may include
loans, in the amount of $2 $1 for each
$1 of state money is committed by
nonstate sources, as determined by the
commissioner, provided that money may
not be spent under this sentence until
the amount available, including
matching any money from nonstate
sources that is allocated to a facility
in item (a) or (b), is sufficient to
complete a functional improvement at
the facility. Up to 25 percent of the
total amount of money committed by
nonstate sources under this subdivision
may consist of loans.

After the first $12,500,000 has been
committed by nonstate sources for the
Long Lake Conservation Center, the Deep
Portage Conservation Reserve, the Wolf
Ridge Environmental Learning Center,
The Northwoods Audubon Center, and the
Southeastern Minnesota Forest Resource
Center, the appropriations in items (a)
and (b) must be distributed and
administered separately for each
facility. Money from nonstate sources
required for the balances of the appropriations in items (a) and (b) must be committed as required in this section for each facility separately to allow functional improvements, but work at the facilities need not proceed simultaneously. Funds raised or borrowed after January 1, 1992, and spent or committed to be spent for predesign, design, or construction of these facilities are eligible to count toward the required commitment from nonstate sources, and, upon proper application, nonstate money spent after that date for qualified capital expenditures at the Long Lake Conservation Center and the Deep Portage Conservation Reserve shall be reimbursed by the commissioner from money appropriated for these facilities, to allow the nonstate money to be used for qualified capital expenditures at the Wolf Ridge Environmental Learning Center, the Northwoods Audubon Center, and the Southeastern Minnesota Forest Resource Center.

The predesign and design requirements of Minnesota Statutes, section 16B.335, do not apply to the specific appropriations for these facilities in this section.

(a) Long Lake Conservation Center This appropriation is for a grant to Aitkin county.

(b) Deep Portage Conservation Reserve This appropriation is for a grant to Cass county.

c) Wolf Ridge Environmental Learning Center This appropriation is for a grant to independent school district-Nov-38

d) Northwoods Audubon Center This appropriation is for a grant to independent school district-Nov-25

e) Forest Resource Eagle Bluff Environmental Learning Center This appropriation is for a grant to independent school district-Nov-22

If land and improvements in Fillmore county that were conveyed by the state to Southern Minnesota Forest Resource Center under laws 1990, chapter 452, section 7, are pledged as security for a loan to assist with the completion of this project provide financing for the
pre-design, design, or construction of environmental education facilities at the Eagle Bluff Environmental Learning Center, the right of reverter retained by the state is waived in favor of the lender.

For the purposes of this subdivision, "nonstate source" means a source of money other than a direct state appropriation for an environmental learning center.

### Subdivision 12

**Agassiz Environmental Learning Center**

This appropriation is for a grant to the city of Fertile.

**Laurentian Environmental Learning Center**

This appropriation is for a grant to independent school district No. 621, Mounds View.

**Prairie Woods Environmental Learning Center**

This appropriation is for a grant to Kandiyohi county.

**Prairie Wetlands Environmental Learning Center**

This appropriation is for a grant to the city of Fergus Falls.

Appropriations in this subdivision must be used for qualified capital expenditures.

### Subdivision 32

Sec. 25. Laws 1994, chapter 643, section 23, is amended by adding a subdivision to read:

**St. Croix Valley Heritage Center**

150,000

To the commissioner of natural resources for a grant to the city of Taylors Falls to prepare a preliminary design for a heritage center, subject to Minnesota Statutes, section 16A.695.

### Subdivision 36

Sec. 26. Laws 1996, chapter 407, section 8, subdivision 3, is amended to read:

**Metropolitan Regional Park System**

850,000

This appropriation is from the future resources fund for payment by the commissioner of natural resources to the metropolitan council for subgrants to rehabilitate, develop, acquire, and retrofit the metropolitan regional park system consistent with the metropolitan council regional recreation open space.
capital improvement program.

This appropriation may be used for the purchase of homes only if the purchases are expressly included in the work program approved by the legislative commission on Minnesota resources.

(b) State Park and Recreation Area Acquisition

This appropriation is from the trust fund to the commissioner of natural resources for acquisition of land within the statutory boundaries of state parks and recreation areas.

(c) Local Grants

This appropriation is from the future resources fund to the commissioner of natural resources to provide matching grants to local units of government for local park and recreation areas; trail linkages between communities, trails, and parks; and at least $100,000 for the conservation partners program as provided in Laws 1995, chapter 220, section 19, subdivision 4, paragraph (e). In addition to the required work program, grants may not be approved until grant proposals to be funded have been submitted to the legislative commission on Minnesota resources, and the commission has either made a recommendation or allowed 60 days to pass without making a recommendation. The above appropriations are available half for the seven-county metropolitan area and half for outside the metropolitan area. For the purposes of this paragraph, match includes nonstate contributions in either cash or in-kind.

(d) Chippewa County Regional Trail

This appropriation is to the commissioner of natural resources from the future resources fund for a grant to the city of Montevideo for acquisition and development of the Chippewa county regional trail.

Sec. 27. Laws 1996, chapter 463, section 7, subdivision 9, is amended to read:

Subd. 9. Metro Regional Park Rehabilitation, Acquisition, and Development

This appropriation is for payment by the commissioner of natural resources to the metropolitan council. The commissioner shall pay the amount on a reimbursement basis to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay the cost of rehabilitation, acquisition, and development by the

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council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.315. The metropolitan council, in cooperation with the city of St. Paul, must develop a plan and fund the restoration of oak savannah remnants in two regional parks in Ramsey county. This appropriation must not be used for research, planning, administration, or tax equivalency payments. This appropriation may be used for the purchase of homes only if the purchases are included in the work program required by law and they are expressly approved by the legislative commission on Minnesota resources.

Sec. 28. Laws 1996, chapter 463, section 13, subdivision 2, is amended to read:

Subd. 2. Capital Asset Preservation and Replacement (CAPRA) To be spent in accordance with Minnesota Statutes, section 16A.632.

Up to $900,000 of the money appropriated in this subdivision may be used as necessary to renovate the Governor's Residence in St. Paul for life safety, code, security, and ancillary storage facility improvements.

Up to $600,000 of the money appropriated in this subdivision may be used to continue the electrical utility infrastructure conversion of the primary feeder loop system to a primary selective system by rerouting the system around the capitol.

In accordance with Minnesota Statutes, section 16B.31, subdivision 6, the commissioner of administration shall identify the condition and suitability of all major state buildings and office space and report the commissioner's findings by June 30, 1997, to the chairs of the senate committee on finance and the house of representatives committees on ways and means and on capital investment. The report must identify the useful life, the current condition, the estimated cost of currently needed repairs, and the suitability for the current state purposes of all major state-owned buildings and office space owned or leased by the state. The legislature intends to use the report in considering future appropriations to the commissioner of administration and to state agencies for asset preservation.

Sec. 29. Laws 1996, chapter 463, section 13, subdivision 4, is amended to read:

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1 Subd. 4. Renovate Capitol Building

2 $4,800,000 is to predesign, design, and
3 reconstruct the northeast terrace and
4 predesign and design the northwest
5 terraces of the capitol building.

6 $1,400,000 is to renovate the lantern
7 and related structures on the capitol
dome.

8 $2,235,000 is to predesign, design, construct,
9 furnish, and equip the renovation of the capitol cafeteria
10 including full-service kitchen and
11 related spaces. The appropriation is
12 available after review and comment by
13 the council on disability.

14 The balance of the appropriation in
15 this subdivision that is not needed for
16 the projects specified may be used for
17 other structural stabilization projects
18 at the capitol or to improve the
19 capitol mall.

20 Sec. 30. Laws 1996, chapter 463, section 13, subdivision
21 8, is amended to read:

22 Subd. 8. Revenue Facilities

23 To design, construct, furnish, and
24 equip new revenue department
25 facilities, including parking to
26 accommodate approximately 950 vehicles.
27 $1,450,000 of this appropriation is not
28 available until the report required by
29 subdivision 10 has been completed.

30 Notwithstanding Minnesota Statutes
31 section 15, subdivision 2, paragraph
32 (e), plans for the building need not be
33 selected through a design-competition.

34 The plans for the facilities for the
35 department of revenue may provide for
36 two or more buildings in separate
37 locations. The principal
38 administrative offices of the
39 department must be located in or near
40 the capitol area. Other operations may
41 be located outside of the capitol area
42 as appropriate and conveniently
43 situated for efficient operations of
44 the department.

45 The design-development-phase of the
46 revenue department building project
47 must include an analysis of the cost,
48 benefit, and operational feasibility of
49 relocating revenue department jobs to
50 areas in greater Minnesota.

51 The commissioner of administration may
52 use a design-build method of project

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development and construction for this
project. The commissioner may award a
design-build contract on the basis of
requests for proposals or requests for
qualifications without bids.

The building must be located within an
eight-mile radius of the capitol,
providing approximately 315,000 net
square feet, and at a cost not to
exceed $74,950,000, including the
parking ramp, inflation adjustments,
and other contingencies.

Notwithstanding Minnesota Statutes,
section 15.50, subdivision 2,
paragraphs (c) and (e), if the building
is constructed within the capitol area
as defined in paragraph (a) of that
subdivision, plans for the building
need not conform to the comprehensive
plan for the area and need not be
selected through a design competition.

As an alternative to constructing a new
building, the commissioner of
administration may use this
appropriation to purchase the building
currently leased and occupied by the
department of revenue as its
headquarters at 10 River Park Place.

This appropriation may not be used to
remodel or renovate 10 River Park
Place. Any appropriation for those
purposes should be requested by the
commissioner of administration as part
of the 1998 capital budget.

If the commissioner of administration
determines that it is not feasible to
construct the new facilities within the
capitol area within the time allowed
and within the limits of this
appropriation, and that the
commissioner is not able to purchase
the building and land leased by the
state at 10 River Park Place for
$23,000,000 or less, the commissioner
may locate the new facilities within
the city of Inver Grove Heights. If
the facilities are located within the
city of Inver Grove Heights, this
appropriation is reduced to $46,000,000.

Sec. 31. Laws 1996, chapter 463, section 14, subdivision

7, is amended to read:

Subd. 7. Mariucci Ice
and Tennis Facility
7,000,000

To the board of regents of the
University of Minnesota to predesign,
design, construct, and equip a new
facility adjacent to Mariucci arena on
the Minneapolis campus to include an
ice-sheet one or more ice sheets and
tennis courts.

Sec. 32. Laws 1996, chapter 463, section 22, subdivision

8, is amended to read:
Subd. 8. Pickwick Mill

For a grant to Winona county for renovation of the historic Pickwick Mill.

This appropriation is from the Minnesota future resources fund and is available until June 30, 1999.

Sec. 33. Laws 1996, chapter 463, section 24, subdivision 8, is amended to read:

Subd. 8. Lyn/Lake/Jungle Performing Arts Center

For a grant to Hennepin county to design, construct, furnish, and equip the Lyn/Lake/Jungle-Performing Arts Center community theater and rehearsal space, offices, classrooms and meeting rooms for performing arts organizations, arts education, and arts development and outreach in a formerly tax-forfeited structure in Hennepin county. Hennepin county may contract with a nonprofit organization for operation of the center, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner has determined that at least $1,630,000 has been committed by nonstate sources to complete the Lyn/Lake/Jungle Theatre main stage in a nearby building owned and operated by the Jungle Theater and that $100,000 has been committed by nonstate sources to complete the community performing arts center. This is the final state appropriation for this project.

Sec. 34. Laws 1997, chapter 202, article 1, section 35, if enacted, is amended to read:

Sec. 35. BOND SALE SCHEDULE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 1999, no more than $545,457,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold, the commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt...