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S.F. No. 52 - Destination Medical Center aid financing clarification

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This bill clarifies the formula for state aid for the Destination Medical Center (DMC), which was authorized in 2013. The bill also makes clarifying changes to the types of expenditures that count toward the local match funding requirement for the city of Rochester.

Section	Provision
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| 1 | Provides that preparation and modification of the development plan for the DMC is included in the definition of “public infrastructure project.” With this proposed change, payments from city funds for public infrastructure costs will count 100 percent toward the city’s \$128 million match requirement, and public infrastructure costs may be paid with state aid. |
| 2 | Under current law, public infrastructure projects are defined, in part, as projects funded in whole or in part by public funds, and the city may incur costs for public infrastructure projects before the development plan has been adopted, provided that the Destination Medical Center Corporation (DMCC) has approved the expenditure. This section provides that these payments may be paid with state aid, provided that the DMCC has approved the expenditure. |
| 3 | Amends the definition of “qualified expenditures” to create a new definition, “qualified expenditures for a year”, which is the amount used to calculate state aid. The new definition clarifies that these expenditures are the cumulative amount of expenditures made since June 30, 2013, minus \$200 million. |
| 4 | Removes the requirement that state aid may not be paid until total expenditures exceed \$200 million and removes the “sum of” annual expenditures language |

from the state aid formula. This language is no longer necessary given the new definition of “qualified expenditures for a year” in **section 3**. Clarifies the carryover provisions for state aid. Carryover aid payments apply when the city has not met its local match requirement, but the private investment threshold has been reached. If the city meets its match requirement in a later year, the state may pay the previous year or years’ carryover aid amounts, but the carryover aid payment plus the aid payment for the current year must not exceed \$30 million in any year.

- 5 Provides that payments by the city for preparation of the development plan count toward the city’s match requirement. Corrects an erroneous cross reference.
- 6 Amends the language in the formula for state transit aid to correspond with the changes in **section 4**.
- 7 Provides that **sections 1-6** are effective upon approval by the city of Rochester and its filing the approval with the Secretary of State. The provisions would then apply retroactively to the original effective date of the DMC legislation.