

Joint Meeting

REGIONAL COUNCIL OF MAYORS & ULI MN ADVISORY BOARD

January 11, 2016

FOCUS ON TRANSPORTATION 2016

This joint meeting of the Regional Council of Mayors and the ULI Minnesota Advisory Board was devoted transportation funding—both transit and roads.

LIEUTENANT GOVERNOR TINA SMITH

Gov. Mark Dayton will work to have the 2016 Minnesota Legislature focus on two major fronts: education and transportation, said Lieutenant Governor Tina Smith.

Minnesota has one of the strongest workforces in the country, Smith said, “but our workforce is changing and there are these great disparities.” Investing in education, particularly early childhood education, is essential to maintaining the kind of skilled, diverse workforce employers want.

“We really believe we can make substantial progress in this legislative session—and we can only do that if we keep the pressure on,” she said. She said the state, and particularly the Metro area, needs a sustainable, long-term strategy for funding transportation that is dedicated and predictable. The need is \$400 million to \$600 million per year, an amount Smith said most legislators agree with. But they disagree on how to provide that funding.

Smith said she and Dayton see positive signs that the Legislature will act on a long-term solution for funding transportation this year. “The Speaker has said transportation is one of his top two priorities,” she said. “That’s an excellent start.” The Governor’s team is not pushing for a new bill, but rather wants to work with some of the bills introduced last session—including a bill to increase the Metro area sales tax to fund transit needs.

In questions, several mayors made it clear that they are concerned about both transit and funding for roads and bridges.

TRANSPORTATION PANEL

Four key transportation leaders presented information and engaged in a discussion with each other and the attendees regarding the need, the opportunity and the challenges.

MnDOT Commissioner Charlie Zelle

Although MnDOT has gained greater efficiency in what it does, Commissioner Charlie Zelle said, undercapitalization leads to inefficiency. He said that four years ago, the unmet transportation infrastructure needs amounted to \$12 billion; today, that number is \$18 billion. He said many of what he terms “Baby Boomer roads,” built in the 1960s, are now in need of repair or replacement.

At the same time the need is growing, funding is dropping, Zelle said. By 2019, there is expected to be 49 percent less funding for roads and bridges. This will mean less maintenance, short-term fixes and limited resources for expansion.

“Sustainability and predictability are what we need for developing efficiencies,” he said. One-time money, like the current state surplus, is “great,” but can’t solve the state’s transportation problems.

The majority of poor quality roads will be in Greater Minnesota, Zelle said. But any federal funding must be used on roads with the most traffic.

Zelle said the state needs long-term investment that is sustainable, dedicated and predictable with \$6 billion/year for state roads and bridges and \$2.36 billion/year for local governments to take care of their transportation needs.

- [Zelle’s outline of the need](#)

Metropolitan Council Chair Adam Duininck

Adam Duininck, Metropolitan Council chair, said the Council’s goal for transportation is to increase access across the region to accommodate future growth, connect people to jobs and connect major destinations.

There is urgency to transportation funding this year, Duininck said. The state’s share of funding for Southwest LRT, \$135 million, must be secured or \$887 million in federal funds for the line are at risk.

- [Maps of regional connections](#)

Ramsey County Commissioner Jim McDonough

Collaboration and compromise are going to be important to secure transportation funding from the Minnesota Legislature, said Ramsey County Commissioner Jim McDonough. He called funding transit infrastructure a “catalytic investment,” which spurs development. Along the Green Line LRT in St. Paul, for example, “there is not a block where construction is not going on.”

Investing in light-rail transit allows Metro Transit to reconfigure bus service so that more people can—and do—use public transportation to get where they want to go, McDonough said.

Hennepin County Commissioner Peter McLaughlin

The public needs to know how transit benefits the region, each city and individuals, said Hennepin County Commissioner Peter McLaughlin, rather than to hear stories about disaster looming if transit is not funded. “The idea that the sky is falling is not going to win,” he said.

To that end, he cited the top 10 reasons to invest in transit:

1. Transportation is a fundamental public responsibility.
2. There’s a growing demand for transit. Currently, the two LRT lines are providing 26 percent of all rides on the Metro Transit system.
3. We do transit well in the Twin Cities. Overall, no other region did as well as the Twin Cities in terms of managing transit.
4. Southwest LRT will connect to 260,000 jobs.
5. We’re building a system, not just one line.

6. Building transit infrastructure creates jobs for Minnesotans. “The U.S. Bank Stadium is almost done and then there’s going to be a lag in construction jobs,” he said.
7. Building transit infrastructure creates contracts for Minnesota businesses.
8. Delays raise costs and threaten federal funding. “That’s money that’s going to go to Seattle or Denver,” he said.
9. Some people use transit, but we all need it.
10. It’s a transformative investment. With transit, McLaughlin said, communities can plan how they grow in this century.

McLaughlin supports creating an additional 1/2-cent sales tax in the Metro area devoted to transit—on top of the 1/4-cent sales tax already in place. A 3/4-cent sales tax for transit, he said, would:

- Cover the state’s 10 percent capital share of transitways.
- Cover the state’s 50 percent share of transitway operations.
- Support the CTIB capital contingency.
- Provide for transitway improvements.
- Support county transportation funding.
- Allow for expansion of bus service.
- Support build-out of bus rapid transit service.

“This is the structural fix that we need to get the state out of the business of funding transit,” he said. “It’s going to solve the problems for major transit lines and for the bread-and-butter bus system.”

- [McLaughlin’s Top 10 list](#)

Questions

- **What should mayors and other people do?** Talk to legislators and business leaders. “The governor has asked for more full-throated support from the business community,” said McLaughlin. “To get something this big passed, we need broad, broad support and we need it to start now.”
- **Have legislators visited where LRT lines are being built?** St. Paul Mayor Chris Coleman said transit still seems to be considered a “liberal” thing—and elected officials who visit transit-rich cities like Dallas or Denver tend to be those who already support transit. McLaughlin agreed that it might be good for other legislators to see transit in other areas.
- **How do you justify more taxes?** McDonough and Zelle said there is a business case for investing in transit. “It’s about investing in infrastructure that funds economic growth,” said McLaughlin. McLaughlin said that even with the additional 1/2 cent, the sales tax in the Metro area would be comparable with sales taxes in other cities in the nation—and the tax is applied on fewer items than in many places. He also emphasized that counties understand the importance of reliable funding. “We’re saying we’re going to tax ourselves,” he said. “We’re saying we’re ready to take on this burden. It’s about the broader region stepping up.” Jake Spano, mayor of St. Louis Park, said, “We’re not the low-cost leader, but I’m not sure I want to live in the low-cost leader. I’d rather be a high-value region.”

- **Why not a gas tax?** Zelle said that, as a businessperson, he is generally in support of the idea of a user tax, but that the governor has said that he doesn't expect a gas tax to be on the table. But, Zelle said, there are other kinds of user fees to fund roads and bridges, such as license fees.

EXECUTIVE DIRECTOR REPORT

ULI Minnesota Executive Director Caren Dewar pointed to the Dashboard of work accomplished by ULI Minnesota in 2015, [see January 2016 Dashboard](#), which shows the growth of the organization in almost every way, from programs to engagement to volunteer hours.

[The Platform to Deliver](#) outlines six goals:

- Increase opportunities for engagement in small group settings.
- Support the Regional Council of Mayors to foster non-partisan solutions to regional issues.
- Maintain best-in-class content programming.
- Increase membership and member engagement by 5 percent.
- Strengthen governance, succession and operations systems.
- Achieve budget goals.

Dewar also asked mayors to consider using [ULI Minnesota's Advisory Services](#), including two-hour workshops on "Navigating Your Competitive Future" and Technical Assistance Panels.

COMING UP

The next meeting will be 11:30am Monday, February 8 at Dorsey & Whitney.