

Date: June 11, 2015

To: The I-35W Solutions Alliance Board of Directors

From: Rob Vanasek

Re: Legislative Report

The 2015 regular legislative session produced a “lights on” transportation bill with only nominal increases in funding for roads, bridges and transit. A special session will be called and a bonding bill will be part of the final deal between the governor and legislative leadership. Other bills include omnibus funding packages for Agriculture/Environment, Jobs/Energy, E12, Legacy and the revisors bill.

A few Fridays back, Senate Transportation Chair Scott Dibble unsuccessfully attempted to restart interest in inserting transportation into the special session discussions by dropping his insistence on a gross receipts tax at the wholesale level and proposing a straight dime per gallon gas tax.

The 77th Street Underpass may receive an additional \$10 million in a special session bonding bill.

The 2015 Transportation Omnibus Bill

Despite the lip service during the 2014 campaigns and despite each chamber bringing transportation finance bills, HF 4 and SF 1904, spending \$7-10 billion in new money for transportation over the next ten years, only a “lights on” transportation bill, SF 1647 / Chapter 75, became law.

The transportation and tax conference committees each met more than most during the final weeks and days of session, but a tax bill was not passed. The Senate would not even entertain discussion on the House’s provisions dedicating certain auto repair sales taxes to transportation during tax conference committee. At one point, Majority Leader Bakk publicly stated that without a gas tax increase for transportation, there would be no Senate support for a tax (cut) bill. House Chair Tim Kelly and Chair Dibble floated private proposals through their leadership in an effort to end the stalemate, but a comprehensive deal was not attained.

The final transportation bill spent only an additional \$30 million via MNDOT in mostly one-time cash for assorted programs, the largest being \$12.5 million for small city road and bridge needs.

On the transit side, the Met Council gained an increase of \$27.8 million for transit operations, which largely reflects the increased costs of running the Green Line for an entire year (versus the 6 months it was open in 2014). There was also \$2 million for

Suburban Transit Providers for a demonstration project not to be used to service Minneapolis or St. Paul.

Other provisions:

- Road authorities with roads with a traffic count over 20,000 must create a traffic signal optimization plan
- Counties succeeded in changing their CSAH formula
- A study due by September 1 to be done by MNDOT will examine local cost participation and produce a policy to minimize local cost share
- The Met Council's Transportation Advisory Board will gain a member representing the opt-outs

The 2015 1st Special Session Proposed Bonding Bill

The proposed capital investment or bonding bill spends close to \$350 million. The bill contains \$140 million for state trunk highway projects (expected to be used on Highway 53 on the Iron Range) but has slightly fewer dollars for the local road and bridge programs than an earlier version. The new bill contains money for the 77th Street Underpass, a priority project of the Solutions Alliance.

- \$10 million for Richfield to be used for the 77th Street Underpass
- \$7.41 million for the local bridge replacement and rehabilitation program
- \$4.29 million for the local road improvement program (when earmarked projects totaling about \$4.5 million are subtracted from the total)
- \$2 million for the Transportation Economic Development (TED) grants
- \$140 million for state trunk highway projects (expected to be used for HWY 53)

The bonding bill was given an informational hearing by a joint House and Senate committee last Friday night and has seen some minor changes in the last 24 hours.

Here is the bill language for the underpass:

13.19 For a grant to the city of Richfield for
13.20 right-of-way acquisition and construction of
13.21 an extension of 77th Street under marked
13.22 Trunk Highway 77/Cedar Avenue in the
13.23 city of Richfield to provide local and
13.24 regional access between Richfield, the
13.25 Minneapolis/St. Paul International Airport,
13.26 the city of Bloomington, and the Mall of
13.27 America.