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MEMORANDUM

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

FROM: Robert J. Tennesen

RE: Legislative Report

DATE: September 13, 2012

Legislature

The legislature went into special session on August 24 to pass a \$167 million disaster relief package for areas damaged by flooding this summer in northern Minnesota. The federal government will provide 75% of the necessary funds to repair public infrastructure. The bill passed in special session appropriates \$25 million for the state's share of the costs. The bill also includes assistance to individuals and businesses that did not qualify for federal aid.

Candidate Forums

"Save the Date" notices were sent to the candidates on Aug. 21 and detailed information went out on Sept. 11. The date for the Burnsville forum was changed to Oct. 17 at 7:00 pm due to the scheduling of a Presidential debate for Oct. 3.

Lori Sturdevant has agreed to moderate the Richfield forum and Bill Salisbury has agreed to moderate the Bloomington forum. We are in the process of finding a third moderator for the Burnsville forum.

We have encouraged the candidates to choose from any of the forums if they have a conflict on the date of the forum arranged for their district and a few have chosen to do that.

The Transportation Finance Advisory Committee (TFAC)

The Transportation Finance Advisory Committee held their fourth meeting on August 13. The committee found that additional revenue of over \$21 billion would be required between 2013 and 2032 to build the infrastructure necessary to reduce congestion, drive economic development and compete nationally.

The Metro Council reported a \$5 billion funding gap for its vision that includes BRT, light rail, street cars and a 1.5% annual growth rate in bus services.

Various revenue-generating proposals include enhancing public-private partnerships, increasing the fuel tax, and state bonding. The fuel tax was last raised in 2008. The House and Senate Transportation Committee Chairs, Senator Gimse and Rep. Beard, have proposed giving more of the responsibility to local governments and allowing them to raise wheelage or sales taxes, issue bonds or enter into public-private partnerships to raise money for their priorities, much like the Counties Transportation Improvement Board.

The committee is also looking at what other states are doing such as raising taxes, increasing fees and collecting more tolls. If spending on transportation needs between 2013 and 2032 matched the \$18 billion projected revenues, state transportation officials say there would be almost no money for system expansion and that nearly 4,100 miles of arterial highways and 20% of the state's bridges would fall into poor condition.

The committee will meet again in September, and is expected to make recommendations by the end of the year.