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MEMORANDUM

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

FROM: Robert J. Tennesen

RE: Legislative Report

DATE: February 14, 2013

Metro Area Transit

The Governor's budget proposal would change the way transit is funded in the seven county metropolitan area. The proposal would yield an additional \$348 million for transit in fiscal years 2014 and 2015: \$100 million for the partial fiscal year 2014 and \$248 million for the fiscal year 2015. The additional revenues result from two sources: (1) a 1/4 cent tax in the seven County Metropolitan area, and (2) increased funding for CTIB from expanding the sales tax base. The estimated \$74 million in 2014 and \$183 million in 2015 for transit in general as well as the projected increases in the CTIB revenues of \$26 million in 2014 and \$65 million in 2015 are dependent upon the Governor's proposal to expand the sales tax base to some clothing and other items. If that does not occur other plans must be made to fund transit.

The Governor's proposal would fund the state's portion of the Southwest LRT line, add as many as 12 arterial BRT or streetcar lines over 20 years, and eventually build the Bottineau LRT and Gateway LRT. It may also cover all funding shortfalls for current bus and rail commitments. In addition, proponents claim the plan could expand the regional bus system by 1% annually.

The Governor proposes greater reliance on regional sources for regional services, less reliance on state resources, and continued reliance on the farebox for 28% of the cost. The Governor proposes that Metro Mobility continue to be funded by the state.

MnDOT

MnDOT Commissioner Charlie Zelle and Scott Peterson also presented at the joint hearing of the House Transportation Finance and Policy Committees on the billions of dollars needed in transportation investments for repairing almost 2,000 miles of roads in poor condition.

TFAC

Commissioner Zelle also briefed legislators on the findings of the Transportation Finance Advisory Committee which calls for billions of dollars in new investments to create a “world-class” transportation system. The current funding structure will not be sufficient for the needed improvements over the next 20 years.

The report calls for over \$50 billion in additional funding over the next 20 years. To pay for these improvements, the report recommends a 40¢ gas tax increase over 20 years, an increase to a metro-area transit-dedicated sales tax (which was included in the Governor’s budget proposal), and increases to wheelage taxes and vehicle registration fees.

Some lawmakers questioned the proposed massive investments and want to determine what a “world-class” transportation system is and whether we really need it.

Legislature

Bills have been introduced:

- Requiring periodic review of property owned or controlled by MnDOT for purposes of determining surplus
- Establishing a transportation ombudsman
- Appropriating money to renovate and restore or replace the Old Cedar Avenue Bridge in Bloomington
- Appropriating money for the 77th Street underpass
- Appropriating funds to rehabilitate the Franklin Avenue bridge
- Removing restrictions on Dan Patch commuter rail line planning and development
- Appropriating money for the I-35W storm tunnel
- Appropriating money for the Lake Street transit station
- Several bills have been introduced appropriating different amounts for the Southwest corridor LRT

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