

## MEMORANDUM

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

FROM: Robert J. Tennesen

RE: Legislative Report

DATE: August 8, 2013

---

### ***Minnesota Statewide Improvement Plan***

MnDOT published its draft MnSHIP 20-year plan. The Solutions Alliance's submitted comments that in substance stated: (1) the plan fails to include projects critical to the Solutions Alliance such as the I-35W/I-494 Interchange, and (2) it is the obligation of MnDOT to propose a funding solution to the \$12 billion funding gap it identifies, the difference between needs of \$30 billion needed to maintain and build the system and \$18 billion in projected revenues over the next 20 years. To recognize this critical need and not propose a solution is not a defensible position.

According to an article in *Politics in Minnesota* dated July 30, other corridor coalitions have expressed dissatisfaction with the plan's failure to identify major projects in their areas. A copy of the Solutions Alliance submission is attached, as well as the *PIM* article.

### ***Corridor Coalitions***

This is an opportunity for the Solutions Alliance to work with other corridor coalitions to identify multiple projects and express the cumulative needs to the Governor, MnDOT, legislators and the public through the media and other sources, bringing forth the energy and resources necessary to obtain the additional funding needed to maintain and build Minnesota's roads and bridges. We can do this in conjunction with The Transportation Alliance - coordinating strategy with other organizations to pass legislation funding the \$12 billion deficit. The Transportation Alliance has agreed to invite representatives of the various corridor coalitions to a meeting to develop a list of projects and costs, analyze financial and political resources available through the coalitions, and develop a strategy and action plan. The executive director of The Transportation Alliance and I are meeting later this month to develop an agenda for a meeting of corridor coalitions.

### ***Letters to Governor and Commissioner of Transportation***

The Solutions Alliance has also submitted letters asking the Governor and the Transportation Commissioner to develop a transportation funding package for passage in 2014. Copies of those letters are attached.

### ***Draft 2014 Legislative Agenda***

The Solutions Alliance Technical Committee has developed a new map identifying key projects for the 2014 legislative agenda. Attached is a draft 2014 legislative agenda that incorporates the key projects identified. The 2014 draft is based on the 2013 legislative agenda incorporating the suggested changes. Please review and suggest corrections, changes or modifications.

### ***Counties Adopting Wheelage Tax***

As of August 1<sup>st</sup>, forty-seven counties have used the 2013 legislation and adopted the optional wheelage tax of \$10 per vehicle. Previously, only metropolitan counties were authorized to collect the tax. Currently, DVS software for issuing vehicle licenses can only accommodate one rate for all counties. That will change in 2018 when new software is operational. Counties will then have the option of setting a wheelage tax of up to \$20 per vehicle.



Dakota County Western Service Center  
14955 Galaxie Avenue, Apple Valley, MN 55124  
952.891.7168 952.891.7031 (fax)

Bloomington Burnsville Dakota County Elko New Market Hennepin County Lakeville  
Minneapolis Richfield Savage Scott County

---

July 25, 2013

Commissioner Charlie A. Zelle  
Minnesota Department of Transportation  
Transportation Building, Mail Stop 100  
395 John Ireland Blvd.  
St. Paul, MN 55155-1899

Bernie Arseneau  
Deputy Commissioner  
Minnesota Department of Transportation  
Transportation Building, Mail Stop 100  
395 John Ireland Blvd.  
St. Paul, MN 55155-1899

Ryan Wilson, P.E., AICP  
Planning Engineer  
Office of Capital Programs and Performance Measures  
395 John Ireland Boulevard, MS 440  
St. Paul, MN 55155-1899

**Re: Draft Minnesota 20-Year State Highway Investment Plan**

Gentlemen:

The I-35W Solutions Alliance submits these comments regarding the draft plan. First, we wish to compliment the Department on the thoroughness and explicitness of the draft plan. It is a very sober analysis of the condition of the Minnesota state highway system and the insufficiency of revenues to maintain and expand the system, to meet the goals and objectives stated in MINNESOTA GO and the Statewide Multimodal Transportation Plan (SMTP).

The I-35W Solutions Alliance has existed as a joint powers board for 24 years working to improve the flow of people and goods in the I-35W corridor including Minnesota Highways 77 and 169. Its members include three of the major counties in the state: Hennepin, Dakota, and Scott; and seven



July 25, 2013

Page 2

cities: Minneapolis, Richfield, Bloomington, Burnsville, Savage, Lakeville and Elko New Market. It has been instrumental in obtaining improvements on I-35W, including reconstruction of the Hwy 62 Crosstown interchange, the Urban Partnership, MnPass lanes, and many other improvements that facilitate the movement of people and goods.

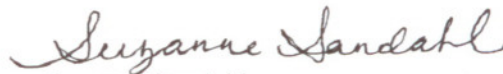
We understand that the plan is fiscally constrained. However, it does not meet the needs of the communities represented by the Solutions Alliance, much less the entire state. It does not provide for a new interchange at I-35W/I-494, in-line bus stations at American Boulevard in Bloomington and Lake Street in Minneapolis, and other needed improvements. These necessary major improvements in the I-35W corridor are not identified in the draft plan.

We accept your analysis that major new funding of \$12 billion is needed over the next 20 years to fill the gap between what you have identified as \$18 billion in projected revenues and the projected need of \$30 billion. Reliance on borrowing, while providing funds to advance projects, is an unsustainable long-term strategy and burdens the state with additional interest costs. Immediate revenues are needed.

The report identifies a critical reason why increased funding is necessary. The bond rating of the state and local units of government will be negatively affected if our major infrastructure assets are allowed to deteriorate below the standard set by GASB 34. Increasing the amount of borrowing for roads and bridges can also damage our bond credit ratings. We do not support Minnesota spending an unnecessary amount of revenue on debt service when that scenario can be avoided.

We urge MnDOT to take an aggressive stand and devise a revenue funding plan to raise the missing \$12 billion.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne Sandahl".

Suzanne Sandahl

Chair, The I-35W Solutions Alliance



MINNESOTA LAWYER 2 0 1 3  
**UP&COMING**  
ATTORNEYS

Join the celebration on September  
Click to reserve seating

Minnesota's public affairs news service

LOG OUT SUBSCRIBE MANAGE ACCOUNT

## POLITICS IN MINNESOTA

Politics in Minnesota > News > Capitol Report > Transportation advocates assail MnDOT's 20-year road plan

SIGN UP

2013 Email

HOME PUBLICATIONS

Capitol Report | Weekly Report | PIM Confidential | Morning Report + | The Directory

MARKETPLACE

### Transportation advocates assail MnDOT's 20-year road plan

Compare Subscription Options | Classifieds | PIM: The Directory Print Edition | Print products | Capitol Rep

ABOUT

About The Capitol Report | About Politics in Minnesota | Subscribe | Advertise | Contact Us

PIM: THE DIR

by Charley Shaw

Published: July 29, 2013

Time posted: 6:13 pm

Tags: [Amanda Duerr](#), [Highway 14 Partnership](#), [I-94 Coalition](#), [Mark Dayton](#), [Transportation](#)

✖ Road building crews dig into the Highway 23 Paynesville bypass project in the Paynesville area. The project had to be rebid earlier this year because of plan errors. (File photo: Bill Klotz)

Road building crews dig into the Highway 23 Paynesville bypass project in the Paynesville area. (File photo: Bill Klotz)

Transportation advocates in a number of regions of Minnesota are criticizing a [draft plan](#) by the state Department of Transportation (MnDOT) that plots the future for investing in roads and bridges for the next 20 years. MnDOT is currently taking public comment on the proposed Minnesota State Highway Investment Program (MnSHIP) that was released earlier this month. The last time MnDOT

revised the 20-year plan was in 2009.

MnDOT had a public comment session on Monday afternoon in St. Paul that included teleconferencing from several regional MnDOT offices. Advocates along a couple greater Minnesota highways that have long complained about congestion and safety issues expressed their displeasure with the plan.



Amanda Duerr, a lobbyist for the Highway 14 Partnership, expressed frustration that the MnSHIP draft doesn't foresee a complete four-lane expansion of the highway between Rochester and New Ulm. She noted the only section of Highway 14 that's slated for expansion is the stretch from North Mankato to Nicollet that Gov. **Mark Dayton** announced in June 2012. Duerr said the fatality rates on the two-lane stretches of Highway 14 are higher than the state average and the volume of commercial freight traffic from local industries is slated to increase in the next 20 years.

"It's up to legislators," Duerr said, "to provide the resources to build the transportation infrastructure that our state needs and it's up to MnDOT to show they will allocate those resources wisely on the projects that need to get done. ...We need to scrap this inadequate plan and move forward with one that actually addresses Minnesota's transportation needs, including the completion of Highway 14."

A number of people from the St. Cloud-area assailed the lack of attention to Interstate 94. Steve Bot, the city engineer for St. Michael and chair of the I-94 Coalition, said he thought the plan was "shocking" when he first saw it. He said the investment category pertaining to improving mobility in inter-regional corridors was the only one of the 10 investment categories that didn't receive funding.

"It just doesn't work for the citizens of Minnesota or the businesses or the economic vitality that are mentioned as being so important," Bot said.

The draft plan, for its part, notes that the number of community-specific projects doesn't match the input that citizens provided during the public outreach effort that was undertaken in preparing the draft.

Looking out to 2033, the state's funding for its highway system is woefully inadequate, as the MnSHIP draft states in detail. Expected state and federal revenues are \$18 billion while the needs are \$30 billion. (The purchasing power of the revenue will decline as fuel, raw materials and labor costs increase, causing the shortfall to deepen gradually over time.)

A major problem is that large amounts of funding are needed to maintain the state's infrastructure because its roads and bridges are aging. Half of the state's highway pavements are more than 50 years old. Thirty five percent of bridges in state highways are more than 50 years old.

The costs of maintaining the system crowd out the availability of money to do new projects. That's reflected in the way the MnSHIP drafters have chosen to divide the plan into two 10 year segments, instead of addressing the entire 20 years as a whole, as has been the case in the past. In the first 10 years of the MnSHIP plan, half of the funding goes to preserving existing infrastructure and the other half goes to new projects like safety and connecting multiple modes of transportation. The investments in the second half of the 20-year plan will be mostly devoted to preserving the existing infrastructure. But despite the growing focus on preservation, the draft plan foretells a widening shortfall.



2,12



f

Rece

Lo



"Despite this focus, the number of roads and bridges in poor condition will more than double and perhaps even triple within 20 years. Given the projected \$12 billion funding gap, there will be many unfunded priorities within the 20-year horizon," the draft plan states.

July 31 is the formal end of the public comment period. Final revisions will then be undertaken. The final document could be posted in September. Meanwhile the issue of transportation funding at the state Legislature remains unresolved. Dayton and the House and Senate in the 2013 session failed to reach an agreement on increasing funding for transportation. MnDOT Commissioner Charlie Zelle since the session ended in May has been attempting to build support around transportation funding options for next year.

    [More »](#)

[< Medical marijuana push teed up for 2014](#)



Already a subscriber? [Claim Whitepapers here.](#)

Recent topics include:

- Temporary Solution: An employer's guide to contingent workers
- Big ideas for small business: how to gain an advantage through social media

[Subscribe to Capitol Report and gain access.](#)

#### POST A COMMENT

Your name: \*

E-mail: \*

Homepage:





Dakota County Western Service Center  
14955 Galaxie Avenue, Apple Valley, MN 55124  
952.891.7168 952.891.7031 (fax)

Bloomington Burnsville Dakota County Elko New Market Hennepin County Lakeville  
Minneapolis Richfield Savage Scott County

---

July 17, 2013

Gov. Mark Dayton  
Office of the Governor  
130 State Capitol  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155

Re: Transportation Funding Needs

Dear Gov. Dayton,

The I-35W Solutions Alliance appreciates your commitment to resolving Minnesota's funding needs for roads and transit. You have spoken eloquently to the necessity of a sound and balanced transportation system to the economic well-being of all Minnesotans. We applaud you for your vision. Understanding the enormous cost of fixing, maintaining and expanding road and transit systems throughout Minnesota, The I-35W Solutions Alliance supports increasing revenues to achieve this goal.

Moving people and goods on I-35W is substantially impaired by the inadequate and out-moded bridge and ancillary facilities at Lake Street in Minneapolis, the obsolete 1950's designed I-35W and I-494 interchange in Bloomington, and the lack of in-line transit stations at both American Boulevard and Lake Street which precludes operation of the BRT Orange Line. These impairments hinder our economy.

MnDOT stated in its draft Minnesota Highway State Investment Plan 2014-2033: *System needs exceed projected revenue that will be available over the next twenty years.*

The Solutions Alliance is ready to join with you to significantly advance funding for the major transportation needs of Minnesota. We will listen for your call to action.

Sincerely,

Suzanne Sandahl  
Chair of the Board

cc: Board of Directors  
Robert J. Tennessen





FJD  
Cep

Dakota County Western Service Center  
14955 Galaxie Avenue, Apple Valley, MN 55124  
952.891.7168 952.891.7031 (fax)

Bloomington Burnsville Dakota County Elko New Market Hennepin County Lakeville  
Minneapolis Richfield Savage Scott County

July 29, 2013

Commissioner Charlie A. Zelle  
Minnesota Department of Transportation  
Transportation Building, Mail Stop 100  
395 John Ireland Blvd.  
St. Paul, MN 55155-1899

Dear Commissioner Zelle,

The Board of Directors invites you to address the Solutions Alliance board meetings when your schedule permits. It meets at the Richfield City Hall at 7:30 AM on the second Thursday of each month. We invite you to speak at a meeting on September 12, October 10, November 14 or December 12. Your presentation could be as formal or informal as you choose on a topic of your choosing.

It will be an excellent opportunity to present your ideas and proposals to important local political and opinion leaders who are committed to advocate for greater transportation funding. The board consists of elected representatives and public works and transportation directors from Hennepin, Scott, and Dakota Counties and the cities of Minneapolis, Richfield, Bloomington, Burnsville, Savage, Lakeville, and Elko New Market. Other regular meeting attendees include representatives from your Department, Metropolitan Council, Metro Transit and members of the chambers of commerce. Commissioner Sorel drew an even larger audience than normal when he spoke last year.

The Solutions Alliance has a record of achievements spanning over two decades of advocating and participating in specific improvements in the I-35W corridor and increased state funding for roads and transit. This includes the I-35W/Hwy 62 interchange, the Urban Partnership Agreement (for which our contribution has been recognized), additional and express lanes, BRT legislation, and the '08 Transportation Funding Bill - Chapter 154.

Thank you for considering this request. Please feel free to call if you have any questions. I await your earliest response.

Sincerely,

Robert J. Tennessen  
Legislative Counsel

cc: Board of Directors



## 2014 Legislative Agenda

### *Vision*

Fund, build, and maintain a robust multimodal transportation system that reduces congestion and enables the Metropolitan Area and the State of Minnesota to compete with other areas of the United States and the world.

### *Goal*

To facilitate the movement of people and goods in the I-35W corridor and its feeder routes: Cedar Ave/Hwy 77 and Hwy 169.

### *Support*

- Adequate capital and operating funding for transit systems to achieve the regional 2030 Transportation Policy Plan (TPP) goal of doubling transit ridership by 2030
- Additional revenue to meet the needs identified in Mn/DOT's 2013-2016 Statewide Transportation Improvement Plan and Metropolitan Council's 2030 Transportation Policy Plan
- The autonomy of the Counties Transit Improvement Board (CTIB)
- Expand transit in the Highway 169 corridor between Marshall Road in Eden Prairie and I-394

**Comment [RT1]:** Expand transit in the Highway 169 corridor between Marshall Road in Eden Prairie and I-394. (This one seems out of place. It is not one of our identified high priority projects. I would get rid of it, or at a minimum, move to the transit section -- KK

### *Transit and Highway*

- Obtain construction and operating funds for Metro Transit Orange Line on I-35W from Lakeville to downtown Minneapolis
- Obtain funding to rebuild Lake Street ramp at I-35W, flyover bridges, and in-line transit station at Lake Street to enable operation of BRT Orange Line, and extend MnPass lanes to downtown Minneapolis
- Obtain funding to rebuild I-35W/I-494 interchange including an in-line transit station at American Boulevard
- Obtain funding to replace I-35W bridge over Minnesota River
- Obtain funding to extend MnPass lane and Orange Line south to CSAH 70.

### *Transit*

- Express and station-to-station BRT service
- Quality buses and equipment for BRT
- Southwest Corridor LRT
- 

**Comment [RT2]:** •Development of Arterial BRT as identified by Metro Transit -- KK

### *Highway*

- I-494 auxiliary lanes from I-35W to TH 100
- I-35W and I-494 interchange reconstruction
- Addition of two lanes on I-35 from I-35E to Hwy 70



- Underpass of TH 77 at 77<sup>th</sup> Street

**CTIB**

- Oppose any changes that diminish authority provided CTIB member counties under current legislation
- Oppose diversion of CTIB revenues to supplant or replace state transit funding

**Comment [RT3]:** • I-35W and I-494 interchange reconstruction (Change to ) I-35W / I-494 interchange reconstruction  
• Addition of two lanes on I-35 from I-35E to Hwy 70  
• Underpass of TH 77 at 77<sup>th</sup> Street (Perhaps get rid of these two since they are not on the top of our list and we do not list all the others as well – KK)