



Investments in transportation infrastructure will:

- Put people back to work in construction and engineering
- Support businesses and industries that rely on moving people and products
- Improve the safety and effectiveness of the system that all Minnesotans use

Transportation Projects are waiting to be let for construction. Let's get Minnesota's economy moving!

TRANSPORTATION and ECONOMIC DEVELOPMENT AGENDA 2012

- **Alliance supports increased funding for all modes of transportation to meet the documented unmet needs on the transportation system statewide.** The 2008 Transportation Funding bill – Chapter 152 – has met a fraction of the identified need. Investments in transportation infrastructure are critical right now while bids are low, interest are low and job creation and economic development are top priorities.

Capital Bonding for Job Creation

Transportation Alliance supports general obligation bonding to meet the following identified needs:

- At least \$75 million for the Local Bridge Program
- Two-year funding of \$100 million for the Local Road Improvement Program
 - \$40M Routes of Regional Significance Account – including funding for a 10-ton network of county highways
 - \$40M Rural Road Safety Account
 - \$20M Trunk Highway Corridor Account – to match state funds provided for interchange projects
- \$10M for Rail Service Improvement Program
- \$10M to recapitalize the Port Development Assistance Program
- \$9M to fund installation of railroad grade warning devices at railroad grade crossings with paved county highways that currently have no signals.
- Metro Transitways - \$35.25M
 - Bottineau Transitway - \$2.5M
 - Southwest LRT - \$25M
 - Gateway Corridor - \$1M
 - I-35W Bus Rapid Transit - \$6.75M
- Greater Minnesota Transit – \$11.855M
 - Duluth Multi-modal Transit Terminal - \$6M
 - Mankato Bus Garage - \$3M
 - St. Cloud Office and Training Center - \$1.255M
 - St. Cloud Operations Vehicle Storage Addition - \$1.6M

- Northern Lights Express - \$13M
- Minneapolis Interchange Transit Hub - \$19M
- Wetland Mitigation through DNR - \$3M

- **Alliance supports adequate funding for transit systems to maintain current levels of service and opposes further cuts in the general fund appropriation.** The level of funding provided through the metro area sales tax levied by the Counties Transit Improvement Board should remain at 50% of the operating cost for transitways.
- **All revenue from the motor vehicle sales tax on purchased and leased vehicles should be used for transportation purposes only.** Current statute dedicates only the remaining funds after the angel investor tax credit from the leased vehicle sales tax revenue to transportation. The revenue from the sales tax on motor vehicles should be distributed so that when fully phased in, 60 percent of the revenue is used for highway purposes and 40 percent for transit. The sales tax paid on a purchased vehicle should be the same rate charged on a leased vehicle: 6.87% of the price. Any proposals to expand the base of the sales tax and reduce the rate should exclude MVST from the rate reduction.
- **Alliance supports increased funding for the Transportation Economic Development (TED) Account within the Trunk Highway Fund** that uses criteria related to business expansion and job creation in evaluating projects to be funded under the program.
- **Alliance supports increased authorization for trunk highway bonds with additional revenue to pay for debt service on the bonds.** Additional revenue can be obtained from a variety of sources including:
 - **A 2-cent per gallon of fuel fee that is imposed when the petroleum tank release cleanup fee blinks off.** Funds should be deposited in the Highway User Tax Distribution Fund in accordance with Minnesota's Constitution which directs that all motor fuel taxes be deposited in the HUTDF.
 - **Removing certain exemptions in current law from payment of the motor vehicle sales tax**
 - Gifts between individuals
 - Vehicles acquired by inheritance
 - Persons moving into Minnesota
 - Preferential computations that reduce revenue
 - **Increasing and indexing the state gas tax** until an alternative fee structure is in place
 - **Adjusting the motor vehicle registration tax**
 - **Dedicating sales tax on motor vehicle repair and parts or other sales tax revenue.**
- **Alliance supports an annual fee for electric vehicles to compensate for the lack of payment of any motor fuel tax with proceeds deposited in the Highway User Tax Distribution Fund.**
- **Alliance supports the expansion of authority for levying a wheelage fee to all 87 Minnesota counties and the removal of the current \$5 cap for all counties.**
- **Alliance supports authorization for municipalities to create street improvement districts.**

- **Alliance strongly encourages the Metropolitan Council to use its regional levy authority to the full extent authorized by the legislature each year.** Alliance supports broadening the use the transit property tax levied in the metropolitan area to include both capital and operating expenses.
- **Alliance supports the use of innovative financing** for certain projects, including public-private partnerships, where there is agreement between the state and local partners.

Policy Issues

- 1) Support legislation to improve the transportation project delivery process, including the permitting process in order to speed up the completion of projects and reduce costs.
 - Deadlines for issuing permits from agencies
 - Consolidation of permitting function among agencies including the DNR and MPCA
 - Continuation of the design/build pilot program for counties
 - Elimination of some requirements for projects within the existing right-of-way
 - Increased use of innovative technologies: prefabricated bridges, warm mix asphalt, thin overlays, permeable pavement, safety edge, adaptive signal control technology, intelligent compaction, stone matrix asphalt, rubblization with overlay etc.
- 2) Support financial accountability by addressing any gaps in the current Mn/DOT accounting system as recommended by the Transportation Strategic Management Task Force.
 - Ensure reporting of total construction project cost including engineering, right-of-way, oversight, and supplemental agreements and compare final cost of projects to final public cost estimate and the award price.
 - Track changes in project cost and timing and report on funds expended each fiscal year in all categories versus funds appropriated.
- 3) In the event of a state government shutdown, state permits issued for local road, bridge and airport projects should remain in effect with local governments responsible for meeting all legal requirements of the permits. Additional costs incurred by contractors and vendors related to a government shutdown should be paid out of the state general fund.
- 4) Road weight issues – Support the prohibition of any weight limit exemptions except during harvest and support the ability of counties to establish load restrictions on their county road systems. Support establishing maximum axle weights and gross weights for implements of husbandry. Support eliminating the implements of husbandry exemptions for posted bridge weights and support civil penalties for excess weight. Support eliminating the liability exemption for damage caused by non-weight related unlawful operation on public highway bridges. Permit for timber haulers and unprocessed agricultural products should be reinstated and funds directed to State Aid for bridge inspections.
- 5) Support an exemption from payment of state sales tax for all materials and professional services purchased for transitways, road and bridge maintenance and construction and public works buildings funded with transportation dollars.
- 6) Support the elimination of the requirement that the local option sales tax authorized outside the seven-county metropolitan area for transportation purposes under Session Laws 2008, Chapter 152, be approved by voter referendum.
- 7) Support existing Counties Transit Improvement Board (CTIB) statutory authority, governance and revenue structure which provides critically important authority for metro counties to advance regional transitway development.

- 8) Disadvantaged Business Enterprise (DBE) - monitor proposals developed by the Collaborative to re-establish the Working Capital Loan Fund and a Targeted Group Business program.
- 9) Support full state funding, from non-transportation funding sources, for mitigation of wetland impact from county and municipal highway projects.
- 10) Funds in the Park Road Account should be used for roadways and associated access points only.
- 11) Oppose increased funding out of the Highway Trust Fund for recreational trails or other non-highway purposes and support a comprehensive study of diversions of revenue from the Trunk Highway Fund.
- 12) Support electronic and photo monitoring for data collection, traffic planning, driver education, and enforcement as a means of reducing road wear, crashes and injuries.
- 13) Expand the transit taxing district in the Twin Cities metropolitan area to encompass the entire seven-county metropolitan region if additional operating revenue is provided.
- 14) Support a constitutional amendment to eliminate the current cap on the amount of state bonds that can remain outstanding for use on rail improvements.
- 15) Support retaining current law regarding mitigation of business impacts due to construction projects.
- 16) Oppose any proposed constitutional amendments that would change the current process or requirements for increasing state revenue.
- 17) Restore the levy authority for regional rail authorities that was lost as a result of the new homestead exclusion.