June 5, 2025

Delivered electronically

Governor Tim Walz Speaker Lisa Demuth Speaker Emerita Melissa Hortman Representative Mary Franson, Co-Chair Representative Fue Lee, Co-Chair Capital Investment Committee Senate Majority Leader Erin Murphy Senate Minority Leader Mark Johnson Senator Sandy Pappas, Chair Capital Investment Committee Senator Karin Housley, Ranking Minority Member Capital Investment Committee

Dear Governor Walz and Legislative Leaders:

It has now been 745 days—since May 22, 2023—since the last capital investment bill was signed into law. That's two years without a comprehensive public works package for our communities. We write to urge you to come to an agreement and pass a bonding bill during the next special session.

This prolonged inaction has real consequences. Local governments are left in limbo, design and shovel-ready projects sit idle, and workers and firms see opportunities lost. Every month that passes without investment makes these projects more expensive, prolongs critical repairs, and puts pressure on community services that Minnesotans rely on every day.

As leaders from across the public and private sectors —local government officials, architects, engineers, construction companies, and trades workers — we see firsthand what's at stake. Minnesotans need you to act.

The <u>Architecture Billings Index</u> (ABI), a leading economic indicator of construction activity, hit a 10-month low of 44.1 in March of this year. The index provides an approximately 9-to-12-month glimpse into the future of non-residential construction spending activity. Any score below 50.0 indicates *decreasing* business conditions. Uncertainty related to international trade policy is apparent and outside of the State's control, but the MN State Legislature can impart certainty in our communities and industries by investing in our state's infrastructure. Without a state bonding bill, local communities will be forced to put off critical infrastructure investments or increase the property tax burden on businesses and residents. Meanwhile, the State's bond capacity will continue to diminish, making it harder to fund projects in the future.

By bonding and providing funding for public projects from the predesign phase through construction, we create a steady pipeline of work for everyone, from architects to trades. It's not just about what's shovel-ready today; it's about filling the pipeline with projects for the shovels of 2027 and beyond.

We stand united in urging legislative leadership to finish the job and pass a bonding bill during the next special session. We cannot afford inaction on investing in clean water, asset preservation, roads, bridges, and other local infrastructure for Minnesotans.

Sincerely, 45 Signers on reverse American Council of Engineering Companies of Minnesota

American Institute of Architects Minnesota

ARM of Minnesota

Associated General Contractors of Minnesota

Association of Minnesota Counties

Association of Women Contractors

Builders Association of Minnesota

Coalition of Greater Minnesota Cities

Freshwater Society

Hightower Initiatives

Independent Millwright Contractors Association

International Union of Operating Engineers Local 49

Iron Workers Local 512

Minnesota Laborers-Employers Cooperation & Education Trust (LECET)

League of Minnesota Cities

LIUNA Minnesota and North Dakota

Metro Cities

Minneapolis Building and Construction Trades Council

Minnesota Asphalt Pavement Association

Minnesota Association of Small Cities

Minnesota Association of Townships

Minnesota Building and Construction Trades Council

Minnesota Concrete Pipe Association

MN-Dakotas Conference National Electrical Contractors Association

Minnesota Drywall & Plaster Association

Minnesota Electrical Association

Minnesota Environmental Contractors Association

Minnesota Floorcovering Contractors Association

Minnesota Head Start Association

Minnesota Historical Society

Minnesota Infrastructure Alliance

Minnesota Inter-County Association

Minnesota Mechanical Contractors Association

Minnesota Painting & Wallcovering Association

Minnesota Public Transit Association

Minnesota Subcontractors Association

Minnesota Utility Contractors Association

Municipal Legislative Commission

North Central States Regional Council of Carpenters

North Metro Mayors Association

Rethos

Sheet Metal, Air Conditioning & Roofing Contractors Association

The Minnesota Transportation Alliance

Thermal Insulation Contractors Association of Minnesota

Twin Cities Roofing Contractors Association