

May 6, 2021

Governor Tim Walz
130 State Capitol
75 Rev. Dr. Martin Luther King, Jr. Blvd.
St. Paul, MN 55155

House Speaker Melissa Hortman
463 State Office Building
100 Rev Dr Martin Luther King, Jr. Blvd.
St. Paul, MN 55155

Senate Majority Leader Paul Gazelka
Room 3113 Senate Office Building
95 University Avenue W.
St. Paul, MN 55155

House Minority Leader Kurt Daudt
267 State Office Building
100 Rev Dr Martin Luther King, Jr. Blvd
St. Paul, MN 55155

Senate Minority Leader Susan Kent
2221 Senate Office Building
95 University Avenue W.
St. Paul, MN 55155

Dear Governor Walz and Legislative Leaders:

At both the state and federal levels there is a recognition that investments in transportation infrastructure that improve safety and mobility will not only create needed jobs right now, but those improvements will benefit our businesses and residents for many years to come. Transportation funding needs to be a top priority for our state.

While our state highway system needs \$39 billion over the next 20 years, projected revenue is only \$21 billion, leaving an \$18 billion funding gap. Local road and bridge needs continue to grow, our communities need more access to better transit options and new technology investments are needed to create a smarter and more effective transportation system. Without additional investments, our aging transportation system will continue to deteriorate - increasing repair costs - while safety and mobility will continue to be a serious problem for our businesses and residents.

As you work to enact a two-year state budget and make decisions about the use of one-time federal funds for the State of Minnesota through the American Rescue Plan, we urge you to prioritize one-time investments in transportation projects above and beyond ongoing, dedicated revenue. We greatly appreciate the various proposals from both the House and Senate to provide additional funding to address local bridge projects, local road projects, maintenance needs on township roads and small city streets, transit capital projects as well as providing funding for critical state highway projects. Projects are ready to go and these investments will create well-paying jobs in communities across the state, helping our state to recover from the COVID pandemic.

Due to the COVID pandemic, dedicated revenue for transportation has dropped significantly compared to what was projected in the February 2020 forecast for transportation funds. The drop in vehicle miles traveled during the pandemic has led to reduced revenue from fuel taxes while reductions in economic activity led to reductions in other dedicated funds. To restore pandemic related revenue losses, we request that revenue from the American Rescue Fund of at least \$250 million be dedicated to compensating transportation funds for the loss.

Additional dollars are needed to address the waiting list of deficient local bridges, the backlog of local and state road projects, needed bus rapid transit projects and maintenance needs on township roads and small city streets.

Safety problems continue to cause too many injuries and fatalities on our roads, local governments continue to struggle to maintain transportation assets under their jurisdiction and communities continue to advocate for needed improvements to the state highways and bridges. Each project will enhance a Minnesota community, protect existing assets, and expand opportunities for growth and development. Ultimately, Minnesota's transportation system needs increases in ongoing, dedicated funding to reduce the gap between identified needs and resources.

Thank you for your consideration of this request. Our members in the transportation industry, local government, labor and business – representing thousands of Minnesotans - want to work with you to prioritize critical transportation infrastructure projects as you finalize the state budget and capital bonding bills.

Sincerely,



Laborers' International Union of North America



Minnesota Inter-County Association



North Metro Mayors