

Legislature Returns for Special Session

Governor Walz called the Legislature into special session on Monday, June 14th, the date that coincides with the need to address the Governor's ongoing emergency powers. The Legislature also needs to set a state budget. The fiscal year ends on June 30th and will set in motion a government shutdown if a budget is not set by that date. At the end of the regular session legislative leaders and Governor Walz reached agreement on overall budget parameters, and progress on various omnibus budget bills is ongoing. Agreements have been reached at this point on several but not all budget bills. See below for updates on specific omnibus bills. Stay tuned for additional legislative and bill updates.

Omnibus Tax Bill

[HF 9-Marquart](#), was heard in the House Taxes Committee Friday and laid over; the next stop will be the Ways and Means Committee. As of this writing, the bill has not been scheduled for a hearing in the Senate. The bill represents an agreement between Tax Committee chairs and contains several provisions of interest to Metro Cities:

- Study and report of the 4d rental classification program and freezing of the first tier at \$100K for the next two years. A study will allow the effects of any program expansion on local property tax bases to be examined prior to legislative consideration of a program expansion. *(supported by Metro Cities)*
- \$5 million in supplemental LGA for cities whose 2022 LGA aid is less than the amount certified in 2021 *(supported by Metro Cities)*
- Authorizes local governments to establish fire protection and emergency medical services special taxing districts *(supported by Metro Cities)*
- Provides temporary flexibility for the use of unobligated tax increment (TIF) for improvements, loans and other subsidies for jobs creation. This authority expires 12-31-2022 and requires any transferred increment to be spent by 12-31-2025. *(supported by Metro Cities)*
- Allows TIF districts that have elected to increase pooling by 10% to use increment for owner-occupied housing meeting Housing TIF District requirements, as well as low-income rental housing. *(supported by Metro Cities)*
- Extends the TIF five-year rule to eight years for redevelopment districts certified after 12-31-17 and before 6-30-2020 and corresponding extension of the six-year rule. *(supported by Metro Cities)*
- City-specific TIF language for Minnetonka, Richfield, St Louis Park, Bloomington, Burnsville, Wayzata.
- Establishes a housing tax credit for contributions to a newly established contribution fund under MN Housing, to support affordable housing *(supported by Metro Cities)*
- Authorizes local option sales taxes for the metropolitan cities of Edina, Oakdale, Maple Grove. The bill also creates a definition of 'capital project'. *(Metro Cities' policies generally support greater revenue diversification and access for cities).*
- Extension of historic structure tax credit through 2022 *(supported by Metro Cities)*

See [HERE](#) for the bill summary.

Omnibus Housing Bill

An omnibus Housing bill and spreadsheet were released that represents the agreement on housing funding and policy between Chairs. The bill, [SF 16](#)-Draheim, was heard Friday in the Senate Finance Committee.

The bill contains \$100 million for housing infrastructure bonds, and notably, does not include local preemption policy language that is opposed by Metro Cities. The bill also includes language to phase out the eviction moratorium. See [HERE](#) for the bill spreadsheet.

Omnibus Jobs Bill

[SF 9 – Pratt](#), as amended, passed the Senate Finance Committee and was sent to General Orders on Thursday. Click [HERE](#) to view the bill spreadsheet. This bill represents an agreement between the chairs in the Jobs and Labor Committees in the House and Senate. It includes \$420 million for the Department of Employment and Economic Development in FY22-23. The Business & Community Development Division is allocated \$247.7 million for FY22-23. The bill maintains the base funding for the Job Creation Fund at \$8 million per year. SF 9 also appropriates \$80 million for a Main Street Economic Revitalization Program and \$70 million for a COVID-19 Relief Grant Program. The bill allows MN Investment Fund (MIF) funding to be used for grants in the state Redevelopment Account; Metro Cities has advocated for funding for this account. COVID-19 grant program money is divided so that roughly 50 percent of the money goes to the Metropolitan Area. The omnibus bill was on the Senate Floor on Friday morning. After the adoption of two amendments the bill was laid on the table.

Update to SAC Temporary Outdoor Seating Policy

In May 2020 Metropolitan Council Environment Services (MCES) approved temporarily deferring SAC fees associated with new or expanded outdoor seating, a change that followed restrictions imposed on indoor seating capacity for food and drink establishments set by Governor Walz. Restaurant restrictions were lifted in May 2021 and this deferment was set to expire.

Metro Cities approached MCES about the timing for discontinuing the deferment of the fees for outdoor seating and the possibility of expanding it for a time to allow cities and businesses to address seating needs going forward. MCES has now approved allowing the deferment of SAC for outdoor seating through December 31, 2021. No new or expanded outdoor seating will be allowed to be deferred after that date. If temporary seating becomes permanent after January 1, 2022, the normal SAC determination process will be followed. Questions? Contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org

Metropolitan Council Transportation Updates

2020 Transit Management Area (TMA) Certification Review

Andrew Emanuele (FHWA) and Bill Wheeler (FTA) from the U.S. Department of Transportation presented the results of the Metropolitan Council's most recent TMA certification review to the TAB. Reviews of this kind occur every four years and public comments are also collected. The department divides findings between commendations, recommendations, and corrective actions.

The Council was commended for its public comment response during the 2020 TPP update, travel demand forecasting, including efforts to develop a COVID-19 survey to determine travel demand impacts of the pandemic, and bicycle and pedestrian planning.

The Council was given 12 recommendations and no formal corrective actions. The recommendations are divided between the Unified Planning Work Program (UPWP), transit planning, Transportation Improvement Program (TIP), Public Participation Plan (PPP), and environmental mitigation. The next certification is due in March of 2025. Click [HERE](#) to access the presentation slides.

Travel Demand Management (TDM) Study

Metropolitan Council staff presented a draft scope of work for a regional travel demand management study to members of the Transportation Committee on Monday. The scope of work includes shared mobility, telework, MnPASS, equity, and climate. The project hopes to include a robust public engagement process that includes stakeholder and implementor interviews, surveys, workshops, and targeted engagement with community organizations representing racially and economically diverse populations. Council staff expects the RFP to be released this Summer, the contract to begin in the Fall and the work to be completed in Spring 2023. The results of this study will be incorporated into the 2050 Transportation Policy Plan and Regional Development Guide. Click [HERE](#) to access the presentation slides.

2021 Transit Ridership Report

The Transportation Committee was given Metro Transit ridership data for the 2021 first quarter. The data shows just how dramatically ridership fell over the course of the pandemic. The numbers show slight growth moving from the end of 2020 into this Spring. Staff expects increases in the 2nd quarter as passenger limits and other mandates are lifted. Click [HERE](#) to access the presentation slides which include a number of graphs and tables related to ridership throughout the system.

The Post-Pandemic City

University of Minnesota professor Thomas Fisher delivered a presentation to the TAB on the potential impacts of the COVID-19 pandemic on cities, specifically focusing on transportation, technology, housing, and the future of work. Fisher offers a number of predications on how automation, remote work, and other trends will shape our cities coming out of the current crisis. Click [HERE](#) to access the presentation slides.

Pedestrian Safety Action Plan

The TAB received information from staff on the Regional Pedestrian Safety Action Plan similar to the presentation delivered to the Metropolitan Council's Transportation Committee in [May](#). A major component of this project involves developing a data-driven pedestrian safety measure to be used in evaluating projects as a part of the Regional Solicitation process. Click [HERE](#) to access the presentation slides.

Regional Solicitation Documents

Several documents of note were presented to the Transportation Advisory Board this week relating to the [2022 Regional Solicitation](#). These include:

- [Regional Solicitation Before and After Study](#) presentation.
- [Modal Funding Ranges](#)
- [Funding Categories](#) with Minimum and Maximum Award amounts.
- 2022 Solicitation [draft language](#) including policies, qualifying criteria and eligibility requirements.

2021 Metro Cities Policy Committees—Sign Up!

Metro Cities is preparing for 2021 policy committees and your participation is encouraged! Meetings will be conducted remotely and will be held in July, August, and September. Committees will recommend legislative policies for 2022 and are open for participation by member city elected officials and staff. Committees and dates are on our [website](#). Additional information, including remote meeting access, will be posted as it becomes available. Please be sure to sign up for the committee(s) you wish to attend. This will help us keep our rosters current and accurate. We look forward to seeing you this summer!

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