

Metro Cities News

November 18, 2022

Metro Cities 2023 Legislative Policies Receive Final Adoption

Metro Cities' 2023 <u>legislative policies</u> received adoption by the association's membership at the Policy Adoption Meeting on Thursday. Adopted policies will serve as the framework for Metro Cities' work at the Capitol and Metropolitan Council in 2023 and will guide the Metro Cities Board of Directors as they adopt 2023 legislative priorities.

The Policy Adoption meeting began with two keynote speakers, veteran political reporters Brian Bakst, *Minnesota Public Radio* and Briana Bierschbach, *Star Tribune*, who provided insights on the November elections and a preview of the upcoming legislative session.

State Revenues Update

The October Revenue Review released by the state Office of MN Management and Budget (MMB) shows that state net general fund revenues are \$126 million, or 6.0%, above what was forecast in February. Net receipts from income, sales and other taxes all exceeded the forecast and served to offset lower than expected net corporate tax receipts. Receipts for fiscal year 2023 are \$415 million, or 4.7%, higher than the forecast. As with all updates, MMB notes that results are preliminary.

The next complete Budget and Economic Forecast will be released in early December.

IIJA Update: Water Infrastructure

Representatives from several state agencies organized an update Thursday for interested stakeholders regarding funding opportunities through the Infrastructure Investment and Jobs Act (IIJA). The Public Facilities Authority (PFA), Minnesota Department of Health (MDH), and Minnesota Pollution Control Agency (MPCA) presented on water infrastructure programs, PFA loan and grant programs, and other funding opportunities being made available because of the federal infrastructure bill.

Jeff Freeman, Executive Director of the PFA, described the water infrastructure programs offered through the PFA. These include the Clean Water and Drinking Water State Revolving Funds (CWSRF/DWSRF), Water Infrastructure Fund (WIF) grant program, and the Point Source Implementation Grant (PSIG) program. The IIJA will see \$668 million over five years to the PFA most of which will be fed into the existing SRF programs. Federal IIJA dollars will also go towards drinking water lead service line replacement and work to address emerging contaminants. The SRF programs require a 10-20% state match. No match is required for lead service line replacement or emerging contaminants.

Click <u>HERE</u> to see the Draft 2023 CWSRF Intended Use Plan and <u>HERE</u> to see the Draft 2023 DWSRF Intended Use Plan.

The MPCA spoke about the agency's role in managing the project priority list for some of the funding opportunities available and their role in the engineering review and scoring. The MPCA also addressed the use of Environmental Assessment Worksheets (EAW) as well as potential permit modifications that would be triggered by these infrastructure improvements. Click HERE for more information from the MPCA on wastewater and stormwater financial assistance.

MDH outlined priorities such as ensuring Safe Drinking Water Act compliance, addressing emerging contaminants (such as manganese or PFAS), and assisting small and/or disadvantaged water systems. The IIJA provides funding for technical assistance and lead service line replacement. A full inventory of lead service lines will need to be developed and some replacements will have to be prioritized based on health equity criteria and efficient use of funds.

Click <u>HERE</u> to view a resource page on the IIJA developed by Minnesota Management and Budget (MMB) that links to other state agency-specific pages, including the PFA.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Deadline: Corridors of Commerce Submittals Due

The deadline to submit proposals for 2022 Corridors of Commerce funding is November 30, 2022. There is \$250 million in program funding available. Any city is eligible to submit a project recommendation via the Minnesota Department of Transportation's online form. Click HERE to view the submittal form. Click HERE to view detailed program guidance and process information for 2022-2023. There are new required fields on the project recommendation form for 2022. These include a detailed project description, a cost estimate, and the name and contact information for the licensed engineer who reviewed the cost estimate.

This year's Corridors of Commerce process also includes new scoring criteria following changes during the 2021 Legislative Session. Projects will now have their deliverability scored. This will be measured by determining where a recommended project is within the environmental review process.

Other eligible applicants for corridors of commerce funding include counties, townships, tribal governments, formal corridor coalitions, and the Metropolitan Council. Eligible entities are limited to one project recommendation request. MnDOT will begin reviewing submissions in December. Final project descriptions, cost estimates, and letters of support are due on March 1, 2023. Formal scoring for projects will begin in March of 2023. MnDOT will announce project awards on May 1, 2023.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

TAB Recommends Regional Solicitation Funding Scenario

The Metropolitan Council's Transportation Advisory Board (TAB) met on Wednesday to vote on a funding scenario for the 2022 Regional Solicitation. The TAB elected to increase the overprogramming amount from 11 percent to 12 percent, which brought a few more projects into all scenarios considered at Wednesday's meeting. The TAB selected a funding scenario titled B1,

which funds bike and pedestrian projects above the corresponding modal funding range with a reduction in spending on roadway expansion projects. Scenario B1 spends \$160 million on roadway projects, \$81 million on transit and TDM projects, and \$66 million on bicycle and pedestrian projects. There was concern from some on the TAB that scenario B1 deviated too far from historic modal ranges. The TAB also discussed how the competing scenarios did or did not achieve adequate regional balance (data comparing historic investment between the seven counties can be found in the business item linked below). The scenario TAB is recommending funds 88 projects with 54 different cities or townships having a project within their borders.

Also included in the agenda for the TAB was a discussion on how to allocate Carbon Reduction funds from the federal government. The Metropolitan Council has decided to only spend a portion of these funds and will look to allocate the remainder once the Minnesota Department of Transportation completes their required Carbon Reduction Strategy. Click HERE to view the Carbon Reduction business item. Projects in scenario B1 shown in Green were recommended for funding by the TAB. The TAB is also recommending that an additional \$5.5 million in Carbon Reduction dollars be made available to address a situation where two projects were tied, but only one was funded in the multiuse trails and bicycle facilities category.

The Regional Solicitation will be before the Metropolitan Council Transportation Committee on November 28 and before the full Metropolitan Council on December 14. Click <u>HERE</u> to view the business item, which includes project lists and <u>HERE</u> to view the associated presentation materials.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Changes to Transitway Advancement Policy Under Consideration

Metropolitan Transportation Services (MTS) and Metro Transit staff presented a proposed policy change to the Council's transitway advancement process to members of the Transportation Committee Monday.

The proposed policy would require the Council and local project sponsors to develop a risk register and establish roles and responsibilities that address project risks. The Council would then include these elements in agreements with partners for each phase of a transitway project (project development, engineering, construction, and operation).

A major goal of the policy, as described by staff, is to strengthen the transitway advancement process by assessing risks for all subsequent phases of the project earlier in the process. The pressure to keep a given project on track means that important questions are often pushed to a later date and deferring of such questions can have cumulatively significant impacts on a project's cost or completion date.

One question is the impacts this proposed policy would have on local governments involved in transitway projects going forward and risks the council anticipates asking cities to share. The Council will consider adopting this proposed policy on November 30, 2022. Click <u>HERE</u> to view presentation materials and <u>HERE</u> for the proposed policy. Stay tuned for further updates.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Application Process Opens for Metropolitan Council Seats and Nominating Committee

The application process for the Metropolitan Council's 16 seats, as well as positions on the Metropolitan Council Nominating Committee, are now open.

For application instructions for the Council seats or nominating committee, please email Gov.Appointments@state.mn.us. Applicants may submit a cover letter and resume to this email. Application materials are due by 4:00 pm on November 29.

The Metropolitan Council's 16 district members are elected to a geographically defined Metropolitan Council district and the Governor appoints a nominating committee to make recommendations on the seats. Three nominating committee members must be local elected officials.

Questions? Contact Patricia Nauman at 651-215-4002 or at patricia@metrocitiesmn.org

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