



House Committee Assignments

House leaders this week released committee assignments for the 2025 legislative session that begins on January 14, 2025. There are 23 committees, all of which will be comprised of an equal number of DFL and GOP legislators. All committees will have co-chairs. View the list of committee assignments [HERE](#) and the list of co-chairs [HERE](#).

Transportation Funds Forecast

According to the Transportation Funds Forecast released on December 10th, Highway User Tax Distribution (HUTD) Fund revenues are anticipated to increase slightly in FY 2025 and continue to increase from FY 2026 through FY 2029. HUTD sources are projected to bring in \$21 million more in the current biennium and \$157 million more in FY 2026-27. This represents a 0.4% increase in expected revenue in FY 2024-25 and a 2.5% increase in FY 2026-27.

When compared to the last forecast, revenues from the gas tax are up \$20 million (2.2%), the registration tax is up \$11 million (1%), and motor vehicle sales tax (MVST) revenue is up \$2 million (0.3%). Legislative changes in recent years to the gas tax, motor vehicle registration tax, and motor vehicle sales tax are reflected in this forecast. The first change in motor fuel tax since 2012 will take effect in January 2025.

This forecast shows that projected revenues for the Transportation Advancement Account (TAA), which distributes some of its funds to cities of all sizes, are less than what was previously forecasted in February. The TAA's source of revenue includes the new 50-cent retail delivery fee and the phased dedication of the auto parts sales tax. The forecast shows that revenue for the TAA is anticipated to grow to nearly \$142 million by FY 2029 and surpass \$300 million by FY 2033.

Click [HERE](#) to read the Transportation Funds Forecast in full, where you will find more detailed information on the Highway User Tax Distribution Fund, Transportation Advancement Account, and a summary of federal transportation funding.

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

Proposed Revisions Released for Draft Imagine 2050 Policy Documents

The Metropolitan Council has been releasing drafts of proposed revisions to their policy plans, including the Vision, Values and Goals document as well as for the Housing, Land Use, Transportation, Water Policy and Regional Parks and Trails Plans. Proposed revisions are based on a variety of feedback received during the public comment period. Please see below for a list of revisions of interest to Metro Cities. Metro Cities is monitoring continued discussions of the *Imagine 2050* document and regional policy plans.

Revisions proposed for the draft **2050 Housing Policy Plan** include:

- Adds a requirement that local governments identify tools to create a variety of rental housing options in comprehensive plan updates.

- Removes a requirement that local governments identify tools they will seek to use for the need for stabilizing services and shelter but adds that plans should include any available data on homelessness and needs for shelter in the community and define how the city will address housing instability.
- Removes the requirement that local plans outline tools such as mental health services, job training programs, and educational support for residents in mixed income or affordable housing. Adds that the Council will provide technical assistance and tools to support a community to add these services.
- Removes the requirement that a city must identify the current portion of local discretionary funding that is going to housing programs.
- Continues to require that local governments identify three specific housing needs that represent the greatest needs of their community but adds that plans do not have to commit to using every available tool to meet all housing needs but must identify specific actions and consider all reasonable resources.

View the draft revised Housing Policy Plan [HERE](#).

Revisions proposed for the draft **2050 Land Use Policy Plan** include:

- Includes changes to clarify responsibilities for policies, actions, and policy intent. After each policy and action statement in the plan, there is an identifier for which party is responsible for implementing that activity.
- Notes that Council direction is needed for minimum average net density recommendations for Suburban Edge community designations.
- Adds context to the Rural Residential designation description that the Council discourages any expansion of this community designation to preserve natural areas as some areas may have environmental limitations to development.
- Clarifies that only within the MUSA will cities be required to allow for more than one housing type in land use categories with residential uses.
- Adds that unincorporated areas surrounding Rural Centers and some Suburban Edge communities should not encourage a development pattern that precludes the extension of future urban services.
- Changes some requirements for local governments to encouraging statements, including:
 - Changes a requirement for local governments to adopt a complete or living streets design framework to “consider incorporating.”
 - Changes a requirement for placemaking initiatives to “consider” incorporating.
 - Adds language to direct local governments to explore ways to accommodate and preserve manufactured and modular home communities instead of requiring it.
 - Adds language for exploring initiatives that counteract the adverse effects of gentrification instead of requiring it.

- Changes a requirement to instead “support programming” that reduces the cost-burden and uncertainties for industries, businesses and entrepreneurs seeking to locate or expand in fully developed areas.
- Changes a requirement to instead “explore opportunities” to develop and support programming that preserves the affordability of housing and commercial space in places experiencing significant investment.
- Adds a New Roles and Responsibilities section to clarify what is expected from local governments:
 - Adds clarity on how requirements are differentiated from suggested considerations.
 - Updated language notes that the specific minimum planning requirements for local comprehensive plans will be clearly identified in the updated Local Planning Handbook, along with a checklist of requirements specific to each local government. The Council notes that it will work to make sure that expectations are clear, accessible, and organized.
- The revised 2050 Land Use Policy Plan also changes **proposed community designations** for several cities from the previous draft:
 - Adds to Urban designation: South St Paul and West St Paul.
 - Removes Osseo from the Urban designation and adds it to the Urban Edge designation.
 - Removes from Urban Edge designation: Birchwood Village, Excelsior, Landfall, Long Lake, Mounds View, South St. Paul, Spring Lake Park, and West St Paul.
 - Adds to Suburban designation: Birchwood Village, Excelsior, Gem Lake, Landfall, Long Lake, Mounds View, Savage, Shorewood, Spring Lake Park.
 - Removes from Suburban Designation: Blaine, Loretto, and Medicine Lake.
 - Adds to Suburban Edge designation: Blaine, Dahlgren Township, Jackson Township, Laketown Township, Loretto, Medicine Lake and Spring Lake Township.
 - Removes from Suburban Edge designation: Gem Lake, Savage, and Shorewood.
 - Adds to Rural Center designation: Watertown Township and Young America Township.
 - Adds to Diversified Rural designation: Victoria.

View the draft revised Land Use Policy Plan [HERE](#). The Community Development Committee will meet on Monday, December 16th to have additional discussion on the proposed minimum average density for Suburban Edge communities at 4 units per acre. On January 21st, 2025, the Community Development Committee is scheduled to vote to adopt the Vision, Values, and Goals, the Land Use Policy Plan, the Housing Policy Plan, and the Regional Parks and Trails Policy Plan.

Revisions proposed for the draft **Transportation Policy Plan** include:

- Tables, Figures, and Maps have been updated with more current data.
- Added references to federal Safe Streets and Roads for All grants received since previous draft: Apple Valley, Bloomington, Brooklyn Park, Cottage Grove, Hastings, Hopkins, New Brighton, Saint Paul, Shakopee, and West Saint Paul.
- Striking references to delays when defining travel time reliability as a performance measure.
- Additional language highlighting that highway expansion projects often include investments in other, less greenhouse gas-intensive, transportation modes such as transit, biking, walking, and rolling.
- Policy 4B, removing cities as a lead and giving them a support role for providing best practices and training for culturally responsive and inclusive engagement, including language services, ADA services, and community assessments.
- Policy 13A, adding language to statement regarding promoting investment in active transportation, “with a focus on disadvantaged communities and places where access to healthy transportation options are less developed, such as suburban and rural communities.”
- Policy 13D, adding language to, “ensure proper maintenance of landscaping,” in the context of natural features installed along bike/ped/transit facilities. Cities are listed as a lead, along with all other listed partners, for this policy and action.
- In the Regional Transportation Finance document, there is new language acknowledging that, “transit operators and county governments are the primary beneficiaries of the new transportation revenues,” that resulted from 2023 legislation in Minnesota. The same section of new language highlights that, “funding needs remain primarily at the city and township levels as these local governments received relatively small revenue increases.”
- The draft notes that some counties have expressed that they will explore opportunities to reduce cost participation burdens for their cities and townships.
- The Highway Investment Plan document contains changes to language regarding greenhouse gas emissions. Specifically, it reads, “the specific processes for assessment and mitigation of greenhouse gas emissions and VMT are being developed by MnDOT with advice from the State Transportation Impact Assessment Technical Committee. When those methods and processes are complete, the plan may need to be amended to incorporate them.”
- Additionally, the draft says that “the Council will assess major projects for greenhouse gas and VMT impacts before adding them to the Transportation Improvement Program consistent with state law beginning on Feb 1, 2025.”
- There is new language in the Roadway Functional Classification document that discusses interaction between principal arterials and bike/ped facilities.
- Additional language has been added to articulate the Council’s commitment to a future review of the preliminary interchange approval process and the inclusion of regional stakeholders in that review.
- The Transit Investment Plan now contains language calling for a stable funding source to build out the ABRT system. It also contains new language describing the impact on transit funding after a BRT application category was created.
- The Bicycle Investment Plan adds language discussing the local role in providing “e-bike stimulus programs”. The same new section of language acknowledges growing safety

concerns around e-bikes and describes the role the Council can play in convening relevant agencies to discuss related issues.

- The Pedestrian Investment Plan includes new language discussing ADA transition plans and risk that federal funds could be withheld if local agencies did not have or were not making progress toward completing ADA transition plans.

View the DRAFT Transportation Policy Plan documents [HERE](#) as part of the December Transportation Advisory Board's (TAB) agenda. The TAB is scheduled to take official action on the plan on January 15, 2025. Pending that recommendation and consideration of any comments by the TAB, the Transportation Committee will act on the TPP on January 27, 2025. The full Metropolitan Council is scheduled to consider adoption of the TPP on February 12, 2025.

Metropolitan Council staff provided an update on the draft **Water Policy Plan** to the Environment Committee on December 10. Staff is drafting proposed revisions following the public comment period. The presentation on Tuesday included some example revisions and a list of planned minor edits.

Some of these edits include:

- Clarifying agricultural water uses.
- Discussing multiple water sources for water supply.
- Updating maps and figures.
- Clarifying policy and action intentions.
- Adding definitions.
- Including MUSA and LTSA distinctions.
- Naming partners explicitly.
- Clarifying the roles and responsibilities better.
- Including public-private partnerships and other economic development partnerships.
- Promotion of circular economies.
- Adding connections with emergency preparedness.
- Tightening the plan's language.

Click [HERE](#) to view the presentation slides.

On Tuesday, the [Metropolitan Area Water Supply Advisory Council](#) (MAWSAC) and its TAC met to approve the **Metro Area Water Supply Plan**. Their agenda includes [revisions](#) and a [public comment summary](#) for the Water Supply Plan.

Some changes of note include:

- Additional references to emergency preparedness.
- Added discussion of source water protection efforts at the Minnesota department of Health.
- Highlighting throughout that in the region, each community has a unique water supply system type. The plan categorizes systems into general groups.
- Content added to describe privately-owned wells, nonmunicipal public water systems, and/or nonmunicipal community public systems as a general category of water system.
- Adding an action calling for the assessment and comparison of the costs, benefits, and feasibility of different approaches to reuse stormwater for nonpotable purposes while protecting public health.
- Including a priority related to legislative initiatives to secure funding for water supply systems.

- Including an action to work with the Minnesota Pollution Control Agency to evaluate the feasibility and effectiveness of a range of mitigation options for PFAS and other emerging contaminants.
- Additional language explaining the rationale behind developing subregional action plans.

The Metropolitan Council's Environment Committee is scheduled to act on the Water Policy Plan on January 21, 2025. The full Metropolitan Council is scheduled to consider adoption of the Water Policy Plan on February 12, 2025.

Council staff presented information on the draft **Regional Parks and Trails Policy Plan** to the [Metropolitan Parks and Open Space Commission](#) (MPOSC) on December 5. Click [HERE](#) for the staff presentation and [HERE](#) for the updated draft plan with proposed revisions in red. This plan, like the others contained in *Imagine 2050*, is due to be acted on officially by the Metropolitan Council on February 12, 2025, so long as it is officially approved by the MPOSC and Community Development Committee before then.

Adult-Use Cannabis Update

Changes to Licensing Process and Timeline

This week the MN Office of Cannabis Management (OCM) announced that it is ending the license preapproval process and moving forward with a standard licensing cycle for both social equity and general applicants beginning sometime early next year. The move from the OCM comes after a Ramsey County District judge's decision halted the license preapproval lottery that was scheduled to take place on November 26th.

Applicants who qualified in the preapproval process will automatically move forward to the next step in licensing. If they applied in a license category that did not have a statutory cap on the number of licenses, they won't have to enter a lottery. Those applying for capped license types will enter a social equity lottery and if they are not selected will have one last chance in the general lottery. The OCM will communicate options to applicants who were unsuccessful during the preapproval round on how they continue to pursue a license.

The window for prospective applicants to be verified as social equity applicants will open January 15, 2025. Beginning on February 18, 2025, the office will begin accepting applications from both social equity applicants and applicants seeking to participate in general licensing. The licensing application window is set to close on March 14 with a tentative timeline of May or June for the lottery to take place.

Local Government Guidance Updated

The OCM has updated its guidance for local governments. This version of the [Guide for Governments on Adult-Use Cannabis](#) includes more information on the anticipated licensing process and the roles for local governments, resources for the licensure and regulatory processes, and new guidance related to compliance checks and hemp-derived products enforcement.

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

Geothermal Grant Opportunity

In 2024 the Minnesota Legislature established a Geothermal Planning Grant Program to provide financial assistance to examine the technical and economic feasibility of installing geothermal energy systems. The Department of Commerce will administer \$1.08M in grants to local

governments across Minnesota. Eligible applicants for this grant program include counties, cities, townships or the Metropolitan Council.

Grants will be awarded for up to \$150,000 for the planning of a geothermal energy system that heats and cools one or more buildings. Eligible systems include a bored geothermal heat exchanger, a groundwater thermal exchange device, and a submerged closed loop heat exchanger.

The [Request for Proposals](#) (RFP) for the Geothermal Planning Grant program is open Monday, December 16, 2024 through Monday, March 10, 2025 at 5:00 PM. Additional information is available on the [Geothermal Planning Grants webpage](#). A [public webinar](#) providing details about the Geothermal Planning Grant program will be held on Monday, December 16, 2024 at 10:30AM.

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