# HENNEPIN COUNTY

### MINNESOTA

Chair Erin Koegel 5th Floor C.O.B. 658 Cedar Street St. Paul, MN 55155 Chair Jon Koznick 2nd Floor C.O.B. 658 Cedar Street St. Paul, MN 55155 Chair D. Scott Dibble 3107 M.S.B. 95 University Ave W St. Paul, MN 5515

June 6, 2025

RE: Proposal to divert \$93 million a biennium in transportation funding from metro counties

Chair Koegel, Chair Koznick, Chair Dibble and members of the Transportation Working Group:

Hennepin County is opposed to a policy provision in the transportation working group committee that includes a 50 percent reduction to the county share of the metro area transportation sales and use tax. The 2023 Omnibus Transportation Bill made generational and balanced investments in Minnesota's transportation system, reflecting the unique needs in the metro to modernize aging roadways and reduce vehicle miles travelled. Specifically, the new resources dedicated to metro counties allow us to rehabilitate and reconstruct aging roads and bridges with safe, multi-modal facilities for all users.

MnDOT's Non-Motorized Transportation Safety Trend Analysis found that more people are walking and biking over the last two decades, but the fact that our roadways have been designed primarily for motorized users is contributing to the rising trend in crashes and deaths for people walking and bicycling. For this reason, Hennepin worked with our metro county partners in 2023 to dedicate 41.5% of the new funding to counties to be dedicated to pedestrian and cycling improvements to make our roadway system safer for all users, especially the most vulnerable. This proposal would eliminate that funding in the metro area.

Since the implementation of the metro area sales tax in October 2023, Hennepin County has worked collaboratively with our city partners to program the funding into 19 safety and multi-modal projects across the county (see attached). Eight of the county's planned projects are along Bus Rapid Transit corridors to make those corridors BRT ready, with several additional projects proposed along BRT corridors and other transit corridors in the next 5-10 years. This legislation will result in a \$16 million annual cut that will defer or cancel these critical investments across the next four years, including three projects that have previously been awarded a total of \$23 million in federal funds through the Metropolitan Council. The proposed reduction would place those funds in jeopardy.



Hennepin County maintains one of the largest roadway systems in the state, supporting regional movement throughout 45 cities. Keeping our multimodal transportation system functioning and healthy requires significant funding to provide for the safe and efficient movement of people, goods and information throughout the county and state. Hennepin, like all 87 counties in Minnesota, relies heavily on state funding to maintain and improve county roads and bridges.

The 2023 transportation legislation included a balanced investment in transportation alternatives for Minnesotans, including more reliable and efficient transit systems and significant new resources to make our roadways safer for all users. We continue to support that investment and stand by the work we did with all metro counties. We respectfully request that this proposal is not included in the final transportation budget bill.

Sincerely,

Irene Fernando Hennepin County

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**Board Chair** 

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Angela Conley Hennepin County Intergovernmental Relations Co-chair MITTER

Jeff Lunde Hennepin County Intergovernmental Relations Co-chair

Table 1 | Hennepin County Department Requested 2026-2030 Transportation Roads & Bridges CIP and associated 2031-2035 Work Plan - Regional Transportation Sales & Use Tax Analysis

Project	City(ies)	BRT Service
CSAH 1 (Old Shakopee Rd) Phase 1 Reconstruction	Bloomington	Orange Line
CSAH 5 (Franklin Ave) Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 22 (Lyndale Ave) Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 32 (Penn Ave) Phase 1 Reconstruction**	Richfield	Included in 2025 ABRT Plan
CSAH 36 (University Ave SE) & CSAH 37 (4th St SE) Multimodal Safety	Minneapolis	E Line
CSAH 52 (Hennepin Ave) Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 52 (Hennepin Ave) Bridge #27636 over Mississippl River	Minneapolis	E Line
CSAH 52 (Nicollet Ave) Richfield Phase 1 Reconstruction	Richfield	Included in 2025 ABRT Plan
CSAH 52 (Nicollet Ave) Richfield Phase 2 Reconstruction	Richfield	Included in 2025 ABRT Plan
CSAH 66 (W Broadway Ave) Bridge #27608 over Mississippi River	Minneapolis	Included in 2025 ABRT Plan
Station 73 Multimodal Connections	Plymouth	Highway 55
CSAH 152 (Cedar Ave) Phase 3 Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 152 (Cedar Ave) Phase 4 Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 152 (Washington Ave N) Bassett Creek Culvert	Minneapolis	H Line
CSAH 152 (Brooklyn Blvd) Bridge #95670 over Shingle Creek	Brooklyn Park	Included in 2025 ABRT Plan
CSAH 153 (Lowry Ave NE) Phase 1 Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 153 (Lowry Ave NE) Phase 2 Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 153 (Lowry Ave NE) Phase 3 Reconstruction	Minneapolis & St. Anthony	Included in 2025 ABRT Plan
CSAH 158 (Vernon Ave) Bridge #4510 over CP Railroad	Edina	Included in 2025 ABRT Plan
E Line Additional Scope - Accessibility & Safety	Edina & Minneapolis	E Line
H Line / CSAH 152 (Washington Ave S) Multimodal Safety	Minneapolis	H Line
Participation in MnDOT's Central Ave (TH 65) Multimodal Safety	Minneapolis & St. Anthony	F Line



June 4, 2025

To: Ramsey County legislative delegation

Rep. Elliott Engen Rep. Brion Curran

Rep. Erin Koegel Rep. Sandra Feist

Rep. Kelly Moller Rep. David Gottfried

Rep. Peter Fischer

Rep. Leon Lillie

Rep. Amanda Hemmingsen-

Jaeger

Rep. Kaohly Her

Rep. David Pinto Rep. Samakab Hussein

Rep. Maria Isa Perez-Vega Rep.

Leigh Finke

Rep. Athena Hollins

Rep. Liz Lee Rep. Jay Xiong

Sen. Heather Gustafson

Sen. Mary Kunesh

Sen. John Marty

Sen. Tou Xiong

Sen. Nicole Mitchell Sen. Erin Murphy

Sen. Sandra Pappas

Sen. Clare Oumou Verbeten

Sen. Foung Hawi

From: Ramsey County Board Chair Rafael Ortega

Dear Ramsey County delegation members:

Ramsey County recognizes the extraordinarily difficult budget decisions that legislators have faced this session. However, the current proposal to cut the county allocation of the Metro ¾ Cent Sales Tax revenue in half—from 17% to 8.5% of the sales tax revenue—is deeply harmful in several ways, even as it fails to remediate any budget shortfall.

For Ramsey County, this cut represents a loss of \$8-9 million per year that **is already allocated to transit and multimodal programming** for a wide range of Capital Improvement Plan (CIP) projects, such as greenways and pedestrian walkways on roadways. These projects have been designed and planned with **significant community engagement and buy-in** and include:

- Construction of the Spine Road at Rice Creek Commons, which is projected to cost a total of \$30m.
- Improvements currently planned for Rice Street, Dale Street, County Road D, County Road J, Beam Avenue, County Road C, and Maryland Avenue. These projects have been designed and planned with significant community engagement and buy-in.
- Multimodal investments along Ramsey County's Critical Corridors, including bike and trail
  implementation on county roads.
- Transportation and infrastructural support for major economic development projects, including **Park at RiversEdge**.

Moreover, this proposal undermines the ability to plan long term. The Metro ¾ Cent Sales Tax should allow counties to develop long-range plans meet the diverse priorities of each community. We cannot continue to hold our collective breath annually for programmatic shifts when partnering with community on transit investment plans.

This proposal also **risks damaging relationships between counties and the Met Council.** We should be collaborating more closely to plan and execute transit projects, not competing over revenue sources that have already been established in legislation.

220 Courthouse 15 West Kellogs.

220 Courthouse 15 West Kellogg Blvd. Saint Paul, MN 55102 Phone: (651) 266-8350 www.co.ramsey.mn.us Finally, this proposal has been advanced with **no public transparency or stakeholder input.** It was never introduced as a bill or discussed in a public working group meeting. If this cut happens, it will be the biggest that Ramsey County has suffered at the legislature thus far this year, with no public hearing and no chance to testify on impacts to the county.

We request that you oppose this cut and support Ramsey County's multimodal transit investment in projects that meet the needs of Ramsey County residents.

Sincerely,

Rafael Ortega

Lafael Miles

Chair, Ramsey County Board of Commissioners

CC: House Speaker Lisa Demuth

House Speaker Emerita Melissa Hortman

Senate Majority Leader Erin Murphy

Senate Minority Leader Mark Johnson

Chair John Koznick

Chair Paul Torkelson

Chair Zach Stephenson

Rep. Brad Tabke

Mr. Chris Schmitter

Mr. Patrick Tanis

Mr. Brandon Kasprick



June 3, 2025

House Speaker Lisa Demuth
House Speaker Emerita Melissa Hortman
House GOP Leader Harry Niska
House DFL Leader Jamie Long
House GOP Ways & Means Chair Paul
Torkelson
House DFL Ways & Means Chair Zack
Stephenson
House GOP Transportation Chair Jon Koznick

Senate Majority Leader Erin Murphy Senate Minority Leader Mark Johnson Senate Finance Chair John Marty Senate Finance Minority Lead Eric Pratt Senate Transportation Chair Scott Dibble Senate Transportation Minority Lead John Jasinski

### RE: Proposal to divert \$93 million in transportation funding from metro counties

Dear legislative leaders,

We want to raise serious concerns with a surprising proposal that was included in the Transportation Working Group's budget agreement reached late last week. The proposal would divert millions of dollars in regional sales tax revenue for transportation projects from metro counties to the Metropolitan Council for bus rapid transit (BRT) projects almost exclusively in Hennepin and Ramsey counties. This shift would come at a time when the next three planned BRT lines are already fully funded.

We urge you to oppose this measure for several reasons:

- 2023 deal being broken: In 2023, Twin Cities collar counties came together to advocate for shared priorities in the state's first major transportation funding package in more than a decade. Very difficult negotiations took into consideration urban, suburban, rural and regional transportation priorities. It resulted in a funding package that, among other things, guaranteed the seven metro counties would receive 17 percent of the regional sales tax revenue for transportation. Now, the working group's agreement would cut the counties' share in half to 8.5 percent and send the remaining 8.5 percent to the Metropolitan Council for BRT buildout.
- Dakota County will lose millions: Should this new transportation budget agreement become
  law, Dakota County will lose more than \$7 million in sales tax revenue for transportation projects
  in 2026 alone. Over the biennium, the county will miss out on \$14.4 million. That funding was
  already programmed for a variety of transportation projects, including pavement preservation on
  aging roadways and regional trail construction.
- Metro counties miss out: The seven metro counties together would lose \$93 million in transportation funds over the biennium. (See attached spreadsheet for details.) That revenue would go to the Met Council, which did not even include this as part of its budget request. Given that the Met Council is loaning up to \$250 million to MnDOT for highway construction, it's our impression there is not a funding problem at that agency.

#### **County Board of Commissioners**



- No hearing held: This proposal was never introduced as a bill. It did not get a hearing in either
  chamber's transportation committee nor was it included in either omnibus bill. The public and
  counties did not have an opportunity to weigh in on it in the conference committee or working
  group process. It was never discussed at a public meeting.
- No county request made: It's our understanding this proposal was not requested by any metro
  county or by the Met Council, and it was not in the Governor's budget. For that reason alone,
  lawmakers should reject this plan.

Dakota County's key priority this legislative session has been ensuring that we and other counties are treated fairly in this challenging state budget process. We want to work with legislators and policymakers on decisions that affect our ability to carry out core responsibilities, including building and maintaining an efficient and safe transportation system. We hope you understand our deep concern as this transportation proposal is the antithesis of those priorities.

Mary Hamann-Roland

Mary Liz Holberg

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As budget negotiations continue, we urge you to reject this proposal.

Sincerely,

Mike Slavik, Chair

Joe Atkins

Bill Droste

Laurie Halverson

Sparie Heleron

William M. Church Liz Workman



News release June 5, 2025

# Surprise state transportation proposal raids Dakota County tax dollars

New plan shifts \$93 million for infrastructure from metro counties to Metropolitan Council

Dakota County and other metro counties would lose an estimated \$93 million in sales tax revenue intended for local transportation projects in a surprise state budget proposal.

Those tax dollars — half of the total that counties expected to receive over the next two years — would be diverted to the Metropolitan Council for unspecified bus rapid transit (BRT) projects. The revenue comes from a regional sales tax that was part of a large transportation funding agreement reached in 2023.

"Taxpayers should be furious," Dakota County Board Chair Mike Slavik said. "This backroom deal violates the agreement we worked so hard for in 2023. This was never debated in public. This is a terrible process and precedent to shift taxpayer dollars."

State law outlines the percentage of regional sales tax revenue that must go to counties and how it can be spent. The new proposal dramatically changes that. As a result, the Met Council would receive millions of dollars it did not request publicly, all at the expense of the metro counties. The change would divert an estimated \$192 million from counties to the Met Council over the next four years.

The proposal would take an estimated \$14 million from Dakota County alone over the next two years — roughly \$7 million a year. That revenue helps pay for dozens of transportation projects in nearly every city and many townships in Dakota County, including:

- Repaving highways in Apple Valley, Burnsville, Eagan, Farmington, Inver Grove Heights, Lakeville, and Hampton and Randolph townships.
- Increasing pedestrian and bike transportation throughout the county, including planned projects in Burnsville, Eagan and West St. Paul.
- Completing engineering work in Rosemount and Inver Grove Heights that is needed for future projects.
- Extending the greenway system, which provides safe, scenic routes for walkers, bicyclists and others.

The proposal was not heard in a public meeting during the legislative session, and it was not included in either the House or Senate transportation budget bills. Those bills were reconciled by a legislative Transportation Working Group as part of overall state budget negotiations underway at the Capitol.

Not only would counties lose nearly \$100 million, but the Met Council did not publicly request the change. Metro counties are unaware of any Met Council BRT projects set for construction that need more dollars, and the new proposal does not identify specific projects that would be funded. Plus, most of the Met Council's BRT plans do not involve suburban counties, including Dakota.

Dakota County commissioners, along with other metro county leaders, are urging state lawmakers to reject the transportation proposal.

"We have tried hard to work with legislators this session to help resolve a very challenging state budget," Slavik said. "Throughout the process, we've simply asked to be part of budget discussions that affect counties. Unfortunately for taxpayers, we were left out of this plan."

###

#### **Contact:**

Mary Beth Schubert, Dakota County Communications and Public Affairs Director marybeth.schubert@co.dakota.mn.us
651-438-8179



June 3, 2025

House Speaker Lisa Demuth
House Speaker Emerita Melissa Hortman
House GOP Leader Harry Niska
House DFL Leader Jamie Long
House GOP Ways & Means Chair Paul
Torkelson
House DFL Ways & Means Chair Zack
Stephenson
House GOP Transportation Chair Jon Koznick

Senate Majority Leader Erin Murphy Senate Minority Leader Mark Johnson Senate Finance Chair John Marty Senate Finance Minority Lead Eric Pratt Senate Transportation Chair Scott Dibble Senate Transportation Minority Lead John Jasinski

### RE: Proposal to divert \$93 million in transportation funding from metro counties

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We urge you to oppose this measure for several reasons:

- 2023 deal being broken: In 2023, Twin Cities collar counties came together to advocate for shared priorities in the state's first major transportation funding package in more than a decade. Very difficult negotiations took into consideration urban, suburban, rural and regional transportation priorities. It resulted in a funding package that, among other things, guaranteed the seven metro counties would receive 17 percent of the regional sales tax revenue for transportation. Now, the working group's agreement would cut the counties' share in half to 8.5 percent and send the remaining 8.5 percent to the Metropolitan Council for BRT buildout.
- Dakota County will lose millions: Should this new transportation budget agreement become
  law, Dakota County will lose more than \$7 million in sales tax revenue for transportation projects
  in 2026 alone. Over the biennium, the county will miss out on \$14.4 million. That funding was
  already programmed for a variety of transportation projects, including pavement preservation on
  aging roadways and regional trail construction.
- Metro counties miss out: The seven metro counties together would lose \$93 million in transportation funds over the biennium. (See attached spreadsheet for details.) That revenue would go to the Met Council, which did not even include this as part of its budget request. Given that the Met Council is loaning up to \$250 million to MnDOT for highway construction, it's our impression there is not a funding problem at that agency.

### **County Board of Commissioners**



- No hearing held: This proposal was never introduced as a bill. It did not get a hearing in either chamber's transportation committee — nor was it included in either omnibus bill. The public and counties did not have an opportunity to weigh in on it in the conference committee or working group process. It was never discussed at a public meeting.
- No county request made: It's our understanding this proposal was not requested by any metro county or by the Met Council, and it was not in the Governor's budget. For that reason alone, lawmakers should reject this plan.

Dakota County's key priority this legislative session has been ensuring that we and other counties are treated fairly in this challenging state budget process. We want to work with legislators and policymakers on decisions that affect our ability to carry out core responsibilities, including building and maintaining an efficient and safe transportation system. We hope you understand our deep concern as this transportation proposal is the antithesis of those priorities.

As budget negotiations continue, we urge you to reject this proposal.

Sincerely,

Mike Slavik, Chair

Joe Atkins

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Bill Droste

Laurie Halverson

Lauri Helmen

William H. Lund

Mary Hamann-Roland

ryxamora Koland

Mary Liz Holberg

Liz Workman

Sig Worlman



# SCOTT COUNTY BOARD OF COMMISSIONERS

200 4<sup>th</sup> Ave W · Shakopee, MN, 55379 952-496-7750 · www.scottcountymn.gov

June 4, 2025

House Speaker Lisa Demuth
House Speaker Emerita Melissa Hortman
House GOP Leader Harry Niska
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House GOP Ways & Means Chair Paul Torkelson
House DFL Ways & Means Chair Zack Stephenson
House GOP Transportation Chair Jon Koznick

Senate Majority Leader Erin Murphy
Senate Minority Leader Mark Johnson
Senate Finance Chair John Marty
Senate Finance Minority Lead Eric Pratt
Senate Transportation Chair Scott Dibble
Senate Transportation Minority Lead John Jasinski

# RE: Proposal to divert \$93 million in transportation funding from metro counties

Dear legislative leaders,

The Scott County Board of Commissioners is committed to working in partnership with the Legislature and the State of Minnesota to provide quality services to all of our residents in the most efficient and effective means possible. Unfortunately, that partnership is severely undermined by the Transportation Working Group's policy provision to reduce the county share of the metro area transportation sales and use tax from 17% to 8.5% and to reallocate those funds to the Met Council for Bus Rapid Transit. We are writing today to express our serious concern with and strong opposition to this \$93 million reduction.

This proposal cuts \$93 million from county transportation projects in FY 26-27 alone. It will impact county programmed transportation projects around the metro and is not necessary to balance the current budget issue. This proposal not only cuts \$3 million per year from Scott County but also entirely undoes the historic and transformational transportation funding bill negotiated in 2023—only two years ago! That legislation gave the Met Council what it needed to operate the transit system, gave counties the means to build the necessary infrastructure to improve transit and bike/ped connections at the local level, and gave residents hope for a regional transportation system that would work across all modes. Now, after collecting the sales tax for little more than a year, that plan and all of the work that went into it is being discarded. Not only that, but it is being discarded without being part of a bill, without being heard in committee, without even a minute of public dialogue, and without any vetting or discussion from impacted parties. This is alarming.

The Met Council received authority to issue bonds or other obligations for regional transit capital expenditures with the backing of the sales tax. That existing funding should be used to build out the BRT network. Jeopardizing local transportation projects that actually support transit and bike/ped systems is totally unnecessary given the current fiscal capacity granted to the Met Council. Furthermore, there is not a single Scott County BRT included in the Met Council's Imagine 2050 plan. Why the sudden rush to fund new BRTs, especially when two existing highway BRTs (the Red and Orange lines) are struggling? Moving forward with micro transit and improving trail/sidewalk connectivity will improve access and life for Scott County residents. Taking away our ability to do that will not.

An effective transportation system relies on partnership across jurisdictions, and we believe Scott County has been a strong and reliable partner. We have utilized our transportation sales tax to advance regional highway

and transit projects. We support the Met Council's ability to control transit operations, and we ask you to require them to use existing funding and authorities to do so.

We understand the need to make tough decisions, but we are asking you to slow down with this provision. It does not need to be enacted in 2025. We ask that you reconsider this provision.

Sincerely,

. . .

Jon Ulkich Barb Weckman Brekke

The Scott County Board of Commissioners

Dave Beer, Chair - District 4

Jon Ulrich, Vice Chair – District 5

Barb Weckman Brekke - District 1

Thomas Wolf – District 2

Jody Brennan - District 3



June 5, 2025

# Re: Metropolitan County Concerns Regarding Transportation Working Group Agreement

Dear Legislators representing Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties:

As the representatives of the seven metropolitan county boards on the AMC Board of Directors—collectively serving over 3 million residents—we write to express serious concern and urgency regarding the unanticipated change included in the signed transportation agreement to reallocate a portion of the regional sales tax revenue from metro counties to the Met Council. In fiscal year 2026 alone, this would result in a cut to over \$91 million dollars to the seven metro counties.

We fully recognize the complexities of the state's current budget environment and understand the position the transportation working group faced with putting a bill together under negative budget targets. Unlike the proposed reduction to the percentage of auto parts sales tax revenue going from the general fund to the Highway User Tax Distribution (HUTD) Fund, the proposal to cut half of the regional sales tax revenue going to metro counties does nothing to balance the budget and meet the negative budget targets. This revenue is sales tax revenue that is generated in the seven metro counties and is allocated to the Metropolitan Council and the seven metro counties based on a negotiated agreement determined during the 2023 legislative session.

For these reasons, we were especially disappointed to see this new proposed finance item included in the signed transportation working group agreement documents without any public input or involvement from the seven metro counties.

The transportation funding bill that passed in 2023 was historic and generated new, dedicated revenue for roads, bridges, and transit of which counties are grateful. In 2023, County Commissioners from the seven metro counties spent countless hours and late nights working together, with legislators, and with other transportation advocates to discuss and negotiate a compromise for the distribution of the metro regional sales tax revenue. It took considerable efforts for the seven metro counties to agree on a position that worked best for our individual counties and the transit goals of the region, and in the

end, the agreement that passed did not include everything we had hoped for but was a true negotiation in that sense.

Additionally, it should be noted that the Met Council did not request additional funding in the governor's budget to build out the Bus Rapid Transit (BRT) network in this biennium. The transportation agreement *does* include a provision from the governor's budget to reduce the amount of general fund dollars going to the Met Council for transit system operations. Additionally, the signed agreement includes provisions that would allow the Met Council to loan up to \$250 million to the Department of Transportation (MnDOT) and authorizes the Met Council to issue bonds.

In closing, we ask you to reassess this proposed reallocation of the metro regional sales tax revenue from metro counties to the Met Council. Our counties have already included the proceeds from this revenue in programmed projects in all seven counties. This change would impact our budgets, delay active projects, and require us to reassess much needed safety, active transportation, and transit projects across the region.

# Sincerely,

Metro Area County Commissioner Members of the Association of Minnesota Counties (AMC) Board of Directors

Barb Weckman Brekke Many & McSuise

Mike Slavik, Dakota County

AMC President

Barbara Weckman Brekke, Scott County

AMC Second Vice President

Mary Jo McGuire, Ramsey County National Association of Counties Past President

Karla Bigham, Washington County Chair, AMC District 10

Jeff Reinert, Anoka County Director, AMC District 10

John Fahey, Carver County Director, AMC District 10

Joe Atkins, Dakota County Director, AMC District 10 Heather Edelson, Hennepin County Director, AMC District 10

Garrison McMurtrey, Ramsey County

Director, AMC District 10

Dave Beer, Scott County Director, AMC District 10 Kevin Anderson, Hennepin County Chair - AMC Business & Partner Development

## June 6, 2025

Chair Dibble, Co-chairs Koznick and Koegel, and members of the Omnibus Transportation Bill Working Group:

On behalf of the Minnesota Inter-County Association (MICA), Hennepin County, and Ramsey County, and all counties in the seven county metro, we wanted to share our strong opposition to a policy provision included in the transportation working group agreement. It proposes to reduce the county share of the metro area transportation sales and use tax from 17% to 8.5% and reallocate the revenue taken from counties to the Met Council dedicated to Bus Rapid Transit Buildout.

# This Change Will Delay and Disrupt County Projects

Since the implementation of the metro area sales tax, metro counties have programmed the proceeds into multi-modal projects that will improve safety for all users. Cutting the funding in half upends budgets and will delay and eliminate important transportation projects in every county in the metro area.

- Hennepin County will see a \$16 million annual cut in funding that will result in the deferment or cancellation of 19 critical multi-modal investments within the next four years, noting that 3 projects have previously been awarded a total of \$23 million in federal funds that is now in jeopardy.
- In Ramsey County, this proposal would negatively impact the spine road at Rice Creek Commons and multimodal investments in critical corridors, like improvements currently planned for Rice Street, Dale Street, County Road D, County Road J, Beam Avenue, County Road C, and Maryland Avenue.
- In Anoka County, it would delay or cancel the 40<sup>th</sup> Avenue corridor reconstruction from Main Street to University Avenue in Columbia Heights, Rum River Regional Trail improvements from Pleasant Street to Johnson Street in Anoka, and the Round Lake Boulevard traffic control signal system and pavement preservation improvement project from 135<sup>th</sup> Avenue to 149<sup>th</sup> Avenue in Andover, among others.
- In Washington County, the reduction of funding would jeopardize improvement projects planned for Radio Drive and Valley Creek Road in the City of Woodbury and Ideal Avenue in the Cities of Lake Elmo and Oakdale.
- In Carver County, the SW Transit Prime Service Expansion to Waconia and other cites outside of Metro Transit Taxing District would be delayed or cut, as well as the County Road 111 reconstruction and safety project in Chaska and the Lake Minnetonka regional trail from Bavaria Road to the north County Line, among others.

These are only some of the projects impacted and they all have been planned with significant community engagement and buy-in. In all, this proposal represents a \$93 million reduction in county transportation projects in FY 26-27 alone.

This proposal would stop the existing regional sales tax before giving it enough time to work. Counties only started receiving funds from this tax on December 10, 2023, just a year and a half ago. The distribution formula was reached after many hours of negotiations during the 2023

session and dedicates 41.5% to active transportation, 41.5% for preservation, and 17% for complete streets and transit that meets the unique needs of diverse communities across the metro.

Time was taken and compromises were made to reach an agreement that strengthened metrowide support for the metro sales tax by helping counties modernize their transportation system for multi-modal users. That's not the case with this proposed 50% reduction. It involved no consultation or negotiation with any of the impacted counties. It was not included in either omnibus bill from the House or Senate. It was not heard in any committee. It was not introduced as a bill. This proposal has not been vetted or even had the opportunity for public testimony.

Nor did the Met Council request additional money in the governor's budget for this biennium to build out the BRT network. In fact, they have the capacity to loan MnDOT up to \$250 million for highway construction. Last biennium, the Met Council also received the authority to issue bonds or other obligations for regional transit capital expenditures with the backing of the sales tax. The Met Council should use existing funding and partner with metro counties and cities to build out the BRT network. Jeopardizing local transportation projects that are already planned is totally unnecessary given the current fiscal capacity granted to the Council.

We know that the Legislature is making hard decisions given the long-term budgetary balance issues facing Minnesota. But this proposal has nothing to do with balancing the budget. We would ask that the leaders reconsider its inclusion in the agreement and remove it from the bill.

















# Metro Area Transportation 0.75% Sales and Use Tax

#### **Background**

#### Source: metrocouncil.org

In the 2023 session, the Minnesota Legislature passed a new sustainable revenue source for region's transportation system. This ¾-cent regional transportation sales tax went into effect in October 2023. The funds are split between the region's counties (17%) and the Met Council (83%). The Met Council share will primarily go toward transit operations, maintenance, and capital projects, with 5% focused on active transportation like walking and biking.

The Minnesota Department of Revenue administers this tax. Revenues fund the projects identified in Laws of Minnesota 2023, Chapter 68, Article 3, Section 29. The sales tax applies to retail sales made into any of the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.

The legislation gives counties latitude in allocating their 17% of the sales tax within prescribed parameters. In addition to walking, biking, and roadway maintenance projects, up to 17% of the counties' share may be spent on transit.

# How much?

The Dept of Revenue estimates of funding:

	Tot	al Estimated Revenue	Met Cou	uncil Share (83%)	Metro Co	unties Share (17%)
2024	\$	433,000,000	\$	359,390,000	\$	73,610,000
2025	\$	473,000,000	\$	392,590,000	\$	80,410,000
2026	\$	487,000,000	\$	404,210,000	\$	82,790,000

# What would be impacted by the Transportation Workgroup's Proposal?

## **Anoka County:**

The following is a list of Anoka County improvement projects that are currently programmed for 2026 and 2027 that are fully or partially supported with regional sale tax funds and would be impacted by Transportation Working Group's proposal:

- CSAH 6 (40<sup>th</sup> Avenue) corridor modernization from Main Street to TH 47 (University Avenue) in the City of Columbia Heights
- CSAH 9 (Round Lake Boulevard) traffic control signal system and pavement preservation improvement project from 135<sup>th</sup> Avenue to 149<sup>th</sup> Avenue in the City of Andover
- CR 19 (Potomac Street) corridor reconstruction from CSAH 23 (Lake Drive) to 162<sup>nd</sup> Avenue in the City of Columbus
- Noise wall repair

- CSAH 17 (Lexington Avenue) corridor modernization from CSAH 116 (Bunker Lake Boulevard) to 155<sup>th</sup> Avenue in the City of Ham Lake
- Eastern Anoka County Regional Trail corridor expansion along CSAH 17 (Lexington Boulevard) in the Cities of Ham Lake, Columbus and East Bethel
- Rum River Regional Trail improvements from Pleasant Street to Johnson Street in the City of Anoka
- Rice Creek West Regional Trail improvements under/across CSAH 35 (Old Central Avenue)
   in the City of Fridley
- Kordiak Park trail improvements in the City of Columbia Heights

### For 2025, we've allocated funds to the following improvement projects:

- CSAH 2 (44<sup>th</sup> Avenue) railway switchyard bridge pedestrian/bicycle infrastructure enhancements **(\$3.5M in Fridley)**
- CSAH 6 (Mississippi Street) @ 7<sup>th</sup> Street roundabout construction (\$500K in Fridley)
- Coon Creek Regional Trail pedestrian bridge (\$250K in Coon Rapids)
- Rice Creek West Regional Trail improvements (Locke/Manomin Park) (\$500K in Fridley)

## For 2024, we allocated funds to the following projects:

- CSAH 24 (Bridge Street) regional trail underpass project (replacing a mid-block at grade ped/bike crossing with an underpass) (design/project development) (\$65K in St. Francis)
- Kordiak Park trailhead enhancements (design/project development) (\$31K in Fridley)
- CSAH 22 bridge replacement over the Rum River (added a new multiuse trail on the north side of the bridge and adjacent roadway approaches) (\$198K in Oak Grove)
- CSAH 22 Concrete surfacing project from TH 47 to CSAH 7 Rum River Boulevard (\$1.3M in Oak Grove)
- CSAH 14 (125<sup>th</sup> Avenue/Main Street) @ CR 53 (Sunset Avenue) roundabout construction (previously rated #6 on the metro areas highest crash rate list for local roads) (\$154K in Blaine/Lino Lakes)

## **Washington County:**

The legislature's proposal to reduce the 17% to 8.5% directly threatens these projects, including projects planned for:

- Radio Drive and Valley Creek Road in the City of Woodbury
- Ideal Avenue in the Cities of Lake Elmo and Oakdale.
- The funding is also being used to support and expand transit circulator routes provided by cities and non-profit partners throughout the county and fund a countywide transit needs study to guide future investment.
- The proposal shifts funding from our local communities to elsewhere in the region outside local control.

## **Hennepin County:**

Project	City(les)	BRT Service
CSAH 1 (Old Shakopee Rd) Phase 1 Reconstruction	Bloomington	Orange Line
CSAH 5 (Franklin Ave) Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 22 (Lyndale Ave) Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 32 (Penn Ave) Phase 1 Reconstruction**	Richfield	Included in 2025 ABRT Plan
CSAH 36 (University Ave SE) & CSAH 37 (4th St SE) Multimodal Safety	Minneapolis	E Line
CSAH 52 (Hennepin Ave) Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 52 (Hennepin Ave) Bridge #27636 over Mississippi River	Minneapolis	E Line
CSAH 52 (Nicollet Ave) Richfield Phase 1 Reconstruction	Richfield	Included in 2025 ABRT Plan
CSAH 52 (Nicollet Ave) Richfield Phase 2 Reconstruction	Richfield	Included in 2025 ABRT Plan
CSAH 66 (W Broadway Ave) Bridge #27608 over Mississippi River	Minneapolls	Included in 2025 ABRT Plan
Station 73 Multimodal Connections	Plymouth	Highway 55
CSAH 152 (Cedar Ave) Phase 3 Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 152 (Cedar Ave) Phase 4 Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 152 (Washington Ave N) Bassett Creek Culvert	Minneapolis	H Line
CSAH 152 (Brooklyn Blvd) Bridge #95670 over Shingle Creek	Brooklyn Park	Included in 2025 ABRT Plan
CSAH 153 (Lowry Ave NE) Phase 1 Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 153 (Lowry Ave NE) Phase 2 Reconstruction	Minneapolis	Included in 2025 ABRT Plan
CSAH 153 (Lowry Ave NE) Phase 3 Reconstruction	Minneapolis & St. Anthony	Included in 2025 ABRT Plan
CSAH 158 (Vernon Ave) Bridge #4510 over CP Railroad	Edina	Included in 2025 ABRT Plan
E Line Additional Scope - Accessibility & Safety	Edina & Minneapolis	E Line
H Line / CSAH 152 (Washington Ave S) Multimodal Safety	Minneapolis	H Line
Participation in MnDOT's Central Ave (TH 65) Multimodal Safety	Minneapolis & St. Anthony	F Line

# Ramsey County:

Loss of \$8-9 million per year that **is already allocated to transit and multimodal programming** for a wide range of Capital Improvement Plan (CIP) projects, such as greenways and pedestrian walkways on roadways. These projects have been designed and planned with **significant community engagement and buy-in** and include:

- Construction of the **Spine Road at Rice Creek Commons**, which is projected to cost a total of \$30m.
- Improvements currently planned for **Rice Street**, **Dale Street**, **County Road D**, **County Road J**, **Beam Avenue**, **County Road C**, **and Maryland Avenue**. These projects have been designed and planned with significant community engagement and buy-in.
- Multimodal investments along Ramsey County's Critical Corridors, including **bike and trail implementation on county roads**.
- Transportation and infrastructural support for major economic development projects, including **Park at RiversEdge**.

#### Carver County:

- Rehabilitation work to major highways including CSAH 40, 53, 30
- Improvements to Future Highway 10 from TH 5 to 102<sup>nd</sup>

# **Dakota County:**

The proposal would take an estimated \$14 million from Dakota County alone over the next two years — roughly \$7 million a year. That revenue helps pay for dozens of transportation projects in nearly every city and many townships in Dakota County, including:

- Repaving highways in Apple Valley, Burnsville, Eagan, Farmington, Inver Grove Heights, Lakeville, and Hampton and Randolph townships.
- Increasing pedestrian and bike transportation throughout the county, including planned projects in Burnsville, Eagan and West St. Paul.
- Completing engineering work in Rosemount and Inver Grove Heights that is needed for future projects.
- Extending the county's greenway system, which provides safe, scenic routes for walkers, bicyclists and others.

# **Scott County:**

Year	Project Name	Description for use of funds	City/Twp
2026-2034	Park and Ride Sealcoats	Park and Ride preservation	Various
2025	Ride Share Services Pilot	Mobility service	Various
2025-2034	Smartlink Transit	Mobility service	Various
2025-2034	Veterans Bus staff and operational costs	Mobility service	Various
2024-2027	Merriam Junction Regional Trail	Trail construction	Louisville Twp
	CH 17 Reconstruction and Trail		Shakopee, Prior
2027-2028	Connections	Trail construction portion	Lake
2025	CH 78 Pedestrian Underpass	Underpass construction	Shakopee
2026	CH 17 Trail south of CH 16 (CP 17-41)	Trail construction	Shakopee
2028	Merriam Junction Regional Trail connection (145th St)	Trail connection	Louisville Twp
2029	Merriam Junction Regional Trail Phase II (CH 14)	Trail construction	Louisville Twp

TAA

				Active	Коапмау	Сотріете	
Year	Project Name	Description for use of funds	City	Transportation	Improvements	Streets, Transit,	Total Cost
				(41.5%)	(41.5%)	Other (17%)	
202	2025 Preservation - Paved Highways	Pavement Preservation Projects	Various		\$ 4,500,000.00		\$ 8,200,000.00
	CSAH 5 - County Line to CSAH 70		Lakeville				
	CSAH 11 - TH 13 to CSAH 38		Burnsville/Apple Valley				
	CSAH 30 - TH 13 to Blackhawk Rd		Eagan				
	CSAH 32 - Dodd Rd to TH 3		Eagan				
	CSAH 63 - Oneill Dr to TH 62		Sunfish Lk/Mendota Heights				
	CSAH 73 - CSAH 26 to CSAH 28		Inver Grove Heights				
	CSAH 74 - County Line to CR 94		Eureka Township				
	<ul> <li>CSAH 88 - CSAH 47 to CR 94</li> </ul>		Sciota/Randolph Township				
	CSAH 91 - CSAH 54 to TH 316		Hastings/Marshan Township				
	CSAH 81 - TH 50 to CSAH 66		Empire/Vermillion Township				
202	2025 CSAH 42 Improvements - 147th St. to CSAH 33	Pavement Preservation	Apple Valley		\$ 2,930,000.00		\$ 6,991,200.00
202	2025 CR 4 - Roberts St to TH 52	Trail	West St. Paul		\$ 700,000.00		\$ 3,104,547.00
2025, 2.	2025, 27 CSAH 32 at 135W frontage road	Trail and Sidewalk	Burnsville			\$ 698,768.00	\$ 3,200,000.00
202	2025 CSAH 32 I35W Bridge Replacement	Trail and Sidewalk	Burnsville			\$ 300,000.00	State Project
202	2025 Trail Gaps Studies	Trails	Various	\$ 600,000.00			\$ 778,000.00
202	2025 Operations	Trail and Highway Operations	Various	and the state of t	\$ 200,000.00		\$ 4,109,178.00
2025, 26, 2.	2025, 26, 27 CSAH 31 - 220th to 212th	Trail	Farmington			\$ 1,167,500.00	\$ 8,950,000.00
202	2025 CSAH 71 - Rich Valley to Barnes	Trail Engineerng	Rosemount/Inver Grove Heights			\$ 97,500.00	\$ 4,309,350.00
202	2026 Preservation - Paved Highways	Pavement Preservation Projects	Various		\$ 4,450,000.00	A STORY OF THE PERSON NAMED IN COLUMN 1	\$ 8,200,000.00
	CSAH 42 - CR 11 to Redwood Dr	ALL MARKET AND	Apple Valley				
	CSAH 28 - CSAH 42 to TH 149		Eagan				
	CSAH 28 - TH 149 to Aman Trail		Inver Grove Heights/Eagan				
	CSAH 30 - BlackHawk Rd to CSAH 43	(includes trail persevation on CSAH 30)	Eagan			***************************************	
	CSAH 32 - TH 13 to RR tracks		Burnsville				

	CSAH 46 - CSAH 5 to I35 bridge		Lakeville				
	CSAH 47 - TH 50 to TH 52		Hampton Township				
	CSAH 50 - CR 9 to Holyoke		Lakeville				
	CSAH 64 - TH 3 to Diamond Path		Farmington				
	CSAH 64 - CSAH 31 to Diamond Path		Farmington				
	CSAH 73 - Butler to Annapolis		West St. Paul				
	CSAH 73 - Wentworth to CSAH 14		West St. Paul				
	CSAH 83 - CSAH 88 to CSAH 86		Randolph Township		٠		***************************************
2026	2026 Ped and Bicycle Facilities	Trail Preservation			\$ 750,000.00		\$ 1,300,000.00
2026	2026 Trail Gaps Studies	Trail Corridor Study	Various	\$ 600,000.00			\$ 778,000.00
2026	2026 CR 42 - Redwood Dr to 147th	Complete Streets	Apple Valley			\$ 750,000.00	\$ 19,425,000.00
2026, 27	2026, 27 CR 74 - CSAH 31 to HoneySuckle Ln	Complete Streets	Farmington			\$ 522,500.00	\$ 4,309,350.00
2026	2026 179th Bridge at North Creek	Complete Streets	Lakeville			\$ 2,044,879.00	\$ 8,675,000.00
2026, 27, 28	2026, 27, 28 CR 9 - CSAH 70 to 210th St	Complete Streets	Lakeville			\$ 1,957,500.00	\$ 3,357,500.00
2027	2027 Preservation - Paved Highways	Pavement Preservation Projects	Various		\$ 3,900,000.00		\$ 8,200,000.00
2027	7 Ped and Bicycle Facilities	Trail Preservation			\$ 1,500,000.00		\$ 1,500,000.00
2027	2027 Trail Gaps	Trails Corridor Study		\$ 600,000.00			\$ 1,500,000.00
2028	2028 Preservation - Paved Highways	Pavement Preservation Projects	Various		\$ 5,700,000.00		\$ 8,200,000.00
2028	2028 Trail Gaps	Trail Corridor Study		\$ 600,000.00			\$ 1,500,000.00
2028	2028 CSAH 26 at TH 52 west ramp	Complete Street				\$ 1,139,000.00	State led
2029	2029 Preservation - Paved Highways	Pavement Preservation Projects	Various		\$ 5,900,000.00		\$ 8,200,000.00
2028	2029 Trail Gaps	Trail Corridor Study		\$ 600,000.00			\$ 1,500,000.00
			TOTAL	\$ 3,000,000.00	\$ 30,530,000.00	\$ 8,677,647.00	



#### MAKING CONNECTIONS THAT COUNT

401 N Robert Street, Suite 150 St. Paul, MN 55101

June 6, 2025

Chair Scott Dibble 3107 Minnesota Senate Building St. Paul, MN 55155

Co-Chair Jon Koznick Centennial Office Building St. Paul, MN 55155

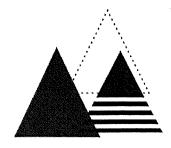
Co-Chair Erin Koegel Centennial Office Building St. Paul, MN 55155

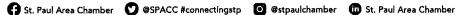
# RE: Oppose the Cut to County Allocation of the Metro 3/4 Cent Sales Tax Revenue

Dear Chair Dibble, Co-Chairs Koznick and Koegel, and Transportation Working Group members,

On behalf of the St. Paul Area Chamber's 1600+ members and affiliates, we urge you to remove the proposed cut to county's allocation of the Metro ¾ Cent Sales Tax revenue. Employers depend on predictable public investment and consistent legislative follow-through to support job creation, economic development, and infrastructure improvements. The proposal to cut county allocations from the Metropolitan ¾ Cent Sales Tax-reducing the share from 17% to 8.5%-raises concerns about this predictability.

This proposal has not been adequately vetted or reviewed with stakeholders, and its implications remain unclear. Counties across the state stand to lose substantial funding that is already committed to transportation projects supporting economic growth and regional mobility. Ramsey County, for example, could lose \$8-9 million annually, putting at risk investments in Rice Creek Commons, Park at RiversEdge, and Rice and Dale Street corridors. Dakota County could forfeit more than \$14 million over the next two years, jeopardizing roadway expansions and safety improvements vital to employers and employees.







Businesses need clarity on how this shift would affect the infrastructure projects they have been planning for. These investments are not abstract; they are connected to construction schedules, housing development, commercial access, and workforce mobility. The Legislature should fully assess the consequences and engage with regional partners, including the business community, who will bear the downstream impact before advancing a proposal of this magnitude.

We urge you to remove this proposal until its full effects on local projects are better understood and adequately vetted. Thank you for your time and attention to this matter. Please reach out if you have any questions.

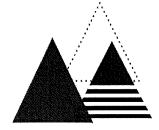
Sincerely,

B Kyle

President and CEO

Benda L. Kyle

St. Paul Area Chamber





June 6, 2025

Chair Dibble, Co-Chair Koznick, Co-Chair Koegel and Transportation Workgroup members:

The Minnesota Public Transit Association is disheartened by the deep general fund cuts to greater Minnesota transit and are concerned that systems will struggle to maintain current transit service hours.

In addition, to the need for operating funding, greater Minnesota transit systems have numerous capital investment needs.

The Office of Transit at MnDOT currently has a two-page list of approved, unfunded projects that include roof replacement and facility rehabs, collision avoidance warning systems, fare collection systems, and more.

The rural transit systems work closely with local governments to efficiently and effectively serve their residents; and have been counting on the growth in funding from the 2023 funding package to meet their growing operating and capital needs.

In addition to providing a service to residents, greater Minnesota transit can play a role in meeting the state greenhouse gas goals by mitigating highway projects in Greater Minnesota.

Transit systems are facing a number of challenges including significantly increased costs for transit buses, as well as fuel, labor, insurance and other costs. In addition, due to the ridiculous 14-cent per mile federal reimbursement for volunteer drivers compared to the 70-cent business reimbursement, communities are losing that valuable, nearly free service - resulting in the need to replace those - with public transit trips.

Residents in greater Minnesota have longer distances and few travel options. The local bus may be the only means of transportation. The senior population is growing and depends on community transit to live independently; as well as to get to work, to school, to medical appointments, congregate dining centers and other important destinations; allowing these citizens to remain independent and contribute to the local economy.

The Governor's narrative on his general fund cuts to greater Minnesota transit acknowledged that:

"The recommended reduction scales back overall Greater Minnesota transit funding and will result in less grants, planning support, and technical assistance for Minnesotans."

We understand you were given a general fund target by leadership and there are not many choices, but this is a significant reduction. MPTA is thankful the severe reductions are limited to one blennium. The new reserve fund policy will mitigate the impact of the reduced general fund appropriation.

Regards.

Sherry Munyon

**Government Relations** 



June 6, 2025

To Senators Dibble, Johnson Stewart, Jasinski, Carlson, Clark, and Representatives Koegel, Koznick, Olson, Tabke,

I'm writing to show appreciation for your work on HF2438/SF2082. Thank you for allowing the Transportation Greenhouse Gas Emissions Impact Assessment or Driving Down Emissions law to be implemented on schedule. This is critical for ensuring trunk highway and multimodal projects are done in support of Minnesota's greenhouse gas emissions and vehicle miles traveled reduction goals. Thank you for appropriating funds to transportation management organizations in the Metro area, such as Move Minnesota. This is important for our local work on commuter education and assistance, and in supporting our region in mitigating congestion and reducing transportation pollution.

When we secured long-term, dedicated funding for transit, biking, walking, and rolling in 2023 and strengthened our Driving Down Emissions law in 2024—we put Minnesota on a nation-leading path to a healthier, more affordable, and more sustainable future. While it's disappointing to see cuts in public transit operations, Move Minnesota remains committed to building a vision for a more accessible and equitable transportation system that works for everyone. We'll continue to push so that our hard-earned resources for public transit continue to improve people's lives and adapt to climate change at the rate that we need to after decades of underinvestment.

With federal funding continuing to be uncertain for transportation and climate resiliency projects, I hope to keep working with you to build a transportation system that serves all Minnesotans and protects our health, environment, and our future.

Sincerely,

MJ Carpio

**Executive Director** 

Move Minnesota