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Minnesota Transportation Alliance Funding Proposal 2005

- 6- cent/gallon increase in state motor fuels tax and indexing - \$192M
- Increase license tab fees - \$170M average
- Authorize local fees and taxes: sales tax, wheelage tax – (depends on local governments, could raise \$220 -\$320M per year)
- Increase G.O. and Trunk Highway Bonding - \$100M THB, \$181M GO bonds
- Support MnPass or FAST lanes - \$20-25M per year

- Raises \$948M annually – depending on local option revenue
- Incorporates new CSAH formula for new money – 60% needs/40% registration
- Funds Local Road Improvement Program and Local Bridge Program
- Creates right-of-way acquisition fund for Greater Minnesota

Since 1893

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Estimate of Unfunded Transportation Needs in Minnesota

➤ **State Trunk Highway System**

- Metro Bottlenecks and major river crossings - \$275.7 million/per year
- Metro Interregional Corridors - \$ 81.4 million/per year
- Greater Minnesota Interregional Corridors \$267.1 million/per year
- Greater Minnesota Advance project candidates \$ 22.1 million/per year
- Maintenance \$240.0 million/per year

➤ **Transit Systems**

- Metropolitan Area Transit \$153.5 million/per year
- Greater Minnesota Transit \$ 21.5 million/per year

➤ **Local Roads and Bridges**

- City/County bridges \$ 24.5 million/per year
- Local Roads \$195.0 million/per year
- City roads and streets \$141.8 million/per year
- Township bridges \$ 9.0 million/per year

➤ **Ports, Freight Rail, Air**

- Ports and waterways \$ 5.0 million/per year
- Freight rail \$ 1.8 million/per year
- Restore state airport fund \$ 1.5 million/per year

Total \$1,439.9 million/per year

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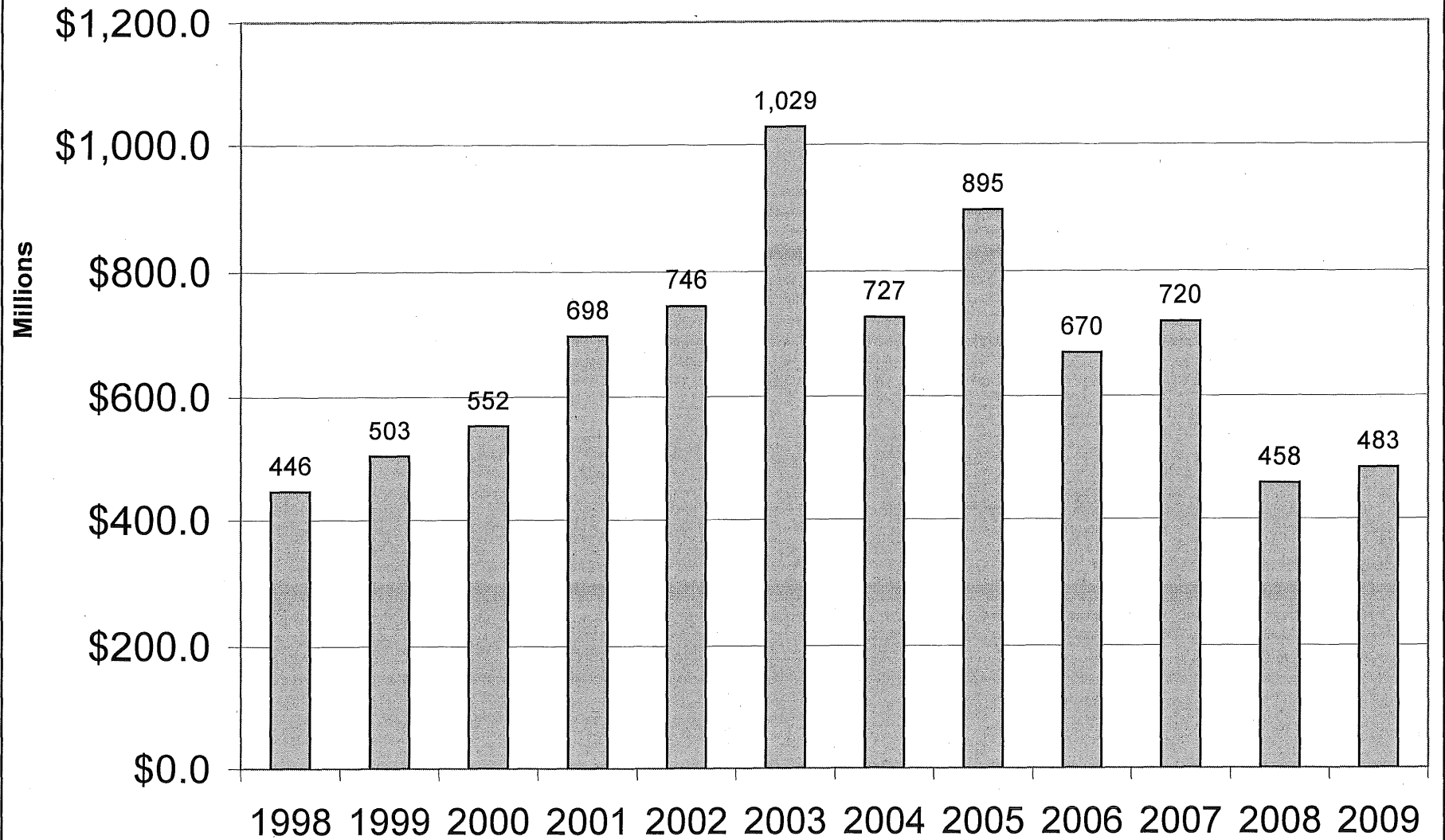
Transportation Funding Proposals- 2005 Session

| FUNDING SOURCES | Transportation Alliance **starts FY06 | AMC - **Starts FY06 | MN Chamber of Commerce **FY08-FY17 | Governor's Proposal **FY08-FY17** | Senator Dick Day **Starts FY06** |
|---|--|---|---|--|--|
| Motor Fuels Tax Increase | 6-cent/gal increase (Tier I) 6-cent/gal (Tier II) \$192M - \$384M | 5-cent/gal 1 st year, 5-cent/gal, 2 nd year \$160M + \$160M | 5-cent/gal increase via Constitutional Amendment | NO | 5-cent increase - \$160M annually |
| License Tab Fee Increase | Remove current caps and change depreciation schedule, grandfather in existing vehicles Average \$170M over 10 years (Tier I) | Change in depreciation schedule and current caps, grandfather in existing vehicles | NO – but open to accepting changes to increase revenue | NO | |
| ½ cent Sales Tax Metro | ½ - cent sales tax increase in metro area - \$225.5M (Tier I) | ½ - cent sales tax increase in metro area – \$225.5M | NO | NO | |
| Other Regional Sales Taxes | ½ -cent sales tax increase authorized in other regions. Rough estimate \$30M annually (Tier I) | ½ -cent sales tax increase authorized in other regions. Rough estimate - \$30M annually | NO | NO | |
| Indexing Motor Fuels Tax | Yes – starts at \$20M annually (Tier I) | Yes in 3 rd year – starts at \$20M annually | NO | NO | |
| TH Bonds | Use part of motor fuel tax increase to leverage \$100M/year for 10 years (Tier I) | Yes - \$100M | YES-\$150M per year for 5 years | YES - \$450 million per year for 10 years | |
| GO Bonds | \$181M annually for transitways and local roads and bridges (Tier I) | \$50M annually for local bridges and air/rail/ports | \$65M annually for 10 years | Proposal is outside current recommendations for bonding | |
| Wheelage Tax | Authorize all counties to levy wheelage tax and remove current \$5 cap. If all 87 counties levy a \$20/vehicle fee, raises \$80M | Authorize all counties to levy wheelage tax and remove current \$5 cap. If all 87 counties levy a \$20/vehicle fee, raises \$80M annually | NO | NO | |
| Street Utility Fee | Authorize cities to impose utility fee based on trip generation - Rough estimate \$5M/yr (Tier II) | NO | NO | NO | |
| Developer Fees | NO | Yes – no revenue estimate | NO | NO | |
| FAST Lanes | Yes, one project could reduce the unmet need \$25M annually over 10 years (Tier I) | NO | FAST/HOT lanes - \$20M annually for 10 years | YES – 2 projects | |
| Efficiencies | NO | \$45M annually | \$60M annually for 10 years | NO | |
| Metro Regional Bonds | Increase bonding authority from current \$32M to \$54M for transit capital needs (Tier II) | NO | NO | NO | |
| Federal Funds | No estimate | Estimate of increase federal funds that could meet some of the unmet need - \$125M annually | Estimate of increased federal funds that could be captured specific projects - \$160M/yr for 10 years | Increase in federal funds used to pay some of debt service on TH bonds | |
| Motor Vehicle Sales Tax | Begin to incrementally transfer more of MVST from general fund – 5% would provide \$31M annually (Tier II) | Transfer of MVST from general fund could be considered under certain circumstances | YES-80% | YES – phase-in from current 54% to 100% between 2008 and 2013 via constitutional amendment | Surcharge on MVST \$125 on new vehicles, \$75 on used vehicles - \$100M annually |
| Regional property tax levy – Regional Rail Authorities | Increase levy authority for Regional Rail authorities by \$32 million for transit capital | Increase levy authority for Regional Rail Authorities \$20 million for transit operating | Local Match | NO | |
| TOTALS | \$948.4M/yr Tier I, \$1.234B/yr. with Tier II | \$951.4M/yr. | \$760M/yr. | \$750M/yr. | (TIF district Hiawatha)\$260M/yr. |

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Total Construction Program

(Estimated Federal Aid, State, Bonds, Advance Construction)



THE ITASCA PROJECT: An employer-led project to drive regional efforts to keep the Twin Cities economy and quality of life competitive with other regions

Who are we?

40-plus community leaders including CEOs, elected officials, and education leaders

What do we do?

Identify priority economic and quality of life issues for the region

Become actively engaged in those priority issues on which we believe we can

- Fill a civic leadership gap
- Bring a fresh approach and/or support and accelerate promising efforts
- Unite public, nonprofit and business interests behind common goals and solutions



ITASCA PROJECT PARTICIPANT LIST

Brad Anderson, Best Buy
Peter Bell, Metropolitan Council
Gerry Boschwitz, Home Valu
Lisa Bormaster*, Business Journal
Mary K. Brainerd, HealthPartners
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TRANSPORTATION IS ONE OF SIX ITASCA PROJECT PRIORITIES

Help the University of MN develop systems/mechanisms to engage meaningfully in regional economic development efforts

Support and expand current efforts to retain and grow leading employers

Support creation and implementation of a broadly supported, comprehensive regional transportation plan

Create plan and mobilize business community to improve early childhood development

Develop business perspective on addressing regional economic disparities among races

Align and coordinate efforts to support and grow small companies and nurture nascent industries

go Minnesota!: A public engagement campaign to accelerate our state into action for better transportation options that get people where they need to go. Our aim is to enhance our quality of life and promote future growth and prosperity.

Who are we?

go Minnesota! brings together thousands of individuals and organizations from across the state in a unified front to inform, engage and mobilize for better and move transportation options in Minnesota. Our leadership combines the expertise and energy of dozens of civic, research, community, and business leaders.

What do we do?

Inform, engage and mobilize Minnesotans into action with

- Educational and interactive online advocacy tools
- Coordinated, statewide paid media campaign
- Media relations and guerilla marketing to get people talking
- Public forums to engage healthy debate
- Corporate communications campaigns led by leading CEOs

For more information about go Minnesota!, contact Jeremy Hanson at (952) 851-7276 or jhanson@gominnesota.org, or visit www.gominnesota.org



Join the many Minnesotans who want to stop wasting time and money in traffic and start living a quality life with more options.

Get Involved ▶

Blog Central ▶

- Home
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- The Problem
- Solutions
- Events
- In the News
- For the Media
- Contact

Where do I want to go?



How do I want to get there?

Wouldn't it be great to have the options of either driving on safe, non-congested roads, taking the bus or riding the light rail train, regardless of the time of day and where you are heading?

Join Today

Let your voice be heard

SIGN UP

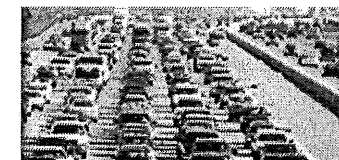
TAKE OUR SURVEY

TAKE ACTION

MAKE A DONATION

VISIT OUR BLOG

SPREAD THE WORD



WE BELIEVE A STRONG TRANSPORTATION BILL SHOULD INCLUDE THE FOLLOWING ELEMENTS:

Maximum efficiency and innovation within the current system to ensure any new investments are as cost-effective as possible

- Establish clear measurable goals for new spending, and tie funding to achievement.
- Benchmark current operations with independent audit, and provide public biennial performance audits thereafter.
- Target significant annual savings over 15-year term within our current system.

An aggressive investment program for roads and transit to meet congestion growth head on and support continued economic development

- New statewide funding for roads and transit of at least \$750 million per year, for 15 years.
- Within that investment, dedicated funding for transit of \$150 million per year.
- 80% of funding tied upfront to specific projects, based on evaluation of system performance and economic development.

A funding solution that is adequate, responsible, and taps transportation related sources

- Reallocate existing resources before raising new.
- Utilize transportation-related sources first.
- Mandate toll and other user fees to equal at least 10% of new road spending.