



SIERRA CLUB

NORTH STAR CHAPTER

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Chair Marty and Members of the Finance Committee,

Please support SF3157, the Omnibus Transportation Bill, and also support restoring the ¾ cent metro sales tax. Thanks to the leadership of the Transportation Committee in developing the original legislation, we are on the verge of a victory which has been long-delayed.

ONGOING FUNDING ESSENTIAL

Those unfamiliar with transportation finance may be tempted to argue that there's no need for ongoing revenue when there's a surplus of one-time general fund dollars. But, transportation is funded differently through dedicated streams. For transportation, there is no surplus.

Transit, specifically, is not something you build and then look at. Transit is a system we must build and operate. That means operating by paying drivers. Paying drivers is an ongoing cost, and must be funded with ongoing dollars. It's not even legal to pay drivers with bonds. That's why, for bus service, we've hobbled along for decades, cobbling together one-time dollars bit by bit. That's why "bus neglect" is such a serious problem. As amended in the Tax Committee, the bill is now much less capable of fixing this problem. This is because the last time we had a trifecta, when serious funding was provided for education, health care and other needs, we got nothing on transit, so we lost a decade.

The impacts of the lost decade are real:

- ❑ We have been underinvesting on transit compared to our peer regions, putting us at a competitive disadvantage generally, and especially when it comes to attracting young workers.
- ❑ We have been underinvesting compared to the need to address the climate crisis as increases in Vehicle Miles Traveled (VMT) in the metro area have far outstripped increases in population.
- ❑ We have been underinvesting compared to the need for equitable access to jobs and opportunity especially for many Minnesotans too young, too old, physically challenged, or economically distressed for whom driving a car is not an option. **The most regressive outcome possible is the status quo.** Even if everyone could drive, effectively requiring everyone to pay \$9,000 to 10,000 a year to own and operate a car shuts out a lot of people from economic opportunity

IMPACTS OF THE A50 AMENDMENT IN TAXES

Chair Dibble held a great hearing on Transit Equity Day, held on Rosa Parks' birthday. We talked about discrimination in transportation funding and "Bus Neglect," a nationwide problem,

from which Minnesota is not immune. With very clear financial realities, we know what will result from the A50 amendment to reduce the tax to ½ cent:

- First, the biggest projects, Southwest and Bottineau rail, will probably still move forward. They usually do.
- Second, a large number of less expensive Bus Rapid Transit (BRT) projects will not move forward. High on the “don’t build list” will be Highway BRT projects that extend to outer ring suburbs, like Orange Line BRT to Burnsville. We won’t be replicating the cost-effective success of Orange Line on other corridors. Not on highways 394 and 169 South, not on 35W North, not on Highway 55, not on Highway 61 (Red Rock), not on Highway 36, certainly not on others. To be fiscally responsible, Met Council will continue to prioritize speeding up existing service on some Arterial BRT corridors, rather than provide new service to outer ring suburbs, like along those highways I just named from the [2014 Highway BRT Study](#) that has been sitting on a shelf for nine years.
- Third, there are also Arterial BRT projects that will not move forward and frequency that will not be provided systemwide. That lack of frequency will be most damaging for ridership and emissions.

TAX LIMITED TO METRO AREA

The ¾ cent sales tax is needed. Furthermore, it is appropriate to limit the proposed sales tax to the metro area. When it comes to climate-polluting increases in Vehicle Miles Traveled, the Metro Area is the problem. Fortunately, the Metro Area is also the solution. If the Legislature is willing to fund Bus Rapid Transit, we can more rapidly build that BRT network across the metro area and secure its many benefits.

Finally, by supporting SF3157 with a ¾ cent tax, you will be investing in proven success. Arterial BRT projects A Line, C Line and D Line have consistently and cost-effectively increased ridership on their corridors, not just because they are faster and more reliable, but because they are frequent. Those frequencies should be available system-wide, not just on a few corridors. That frequency, most valued by transit current and future riders, can only be provided and maintained with dedicated, ongoing revenue.

CONCLUSION

The original bill with the ¾ cent is the responsible choice. As limited by the A50 amendment in the Tax Committee, the now smaller bill would invest only what Governor Dayton proposed in 2013. But that 2013 proposal never passed. The investments it would have made over the past ten years never happened. For climate, equity, economic competitiveness and public health, it’s time to catch up. With the A50 amendment, the big rail projects will likely proceed. But the cost of those larger rail projects will crowd out many smaller ones. So unless something on the scale of the House Omnibus Bill prevails on the Senate floor or in conference, the impacts are very predictable based on past practice and clear financial realities.

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