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## About the League of Minnesota Cities

The League serves 837 of Minnesota's 854 cities through advocacy, education and training, policy development, risk management, and other services

The League also operates an insurance trust for cities

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# About Minnesota's 854 Cities

146 cities are in the seven-county metropolitan area

708 cities are in Greater Minnesota

705 cities have population < 5,000

498 cities have a population < 1,000

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Bottom line: Minnesota's cities are diverse

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For the  
Record . . .

**Minnesota cities--large and small, rural, urban and suburban--support passage of an omnibus transportation funding bill that is comprehensive, multimodal and sustainable.**

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Common Concern: City Street System

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## City Streets: The System

Municipal streets make up over 22,500 miles (about 16 percent) of roadways in MN

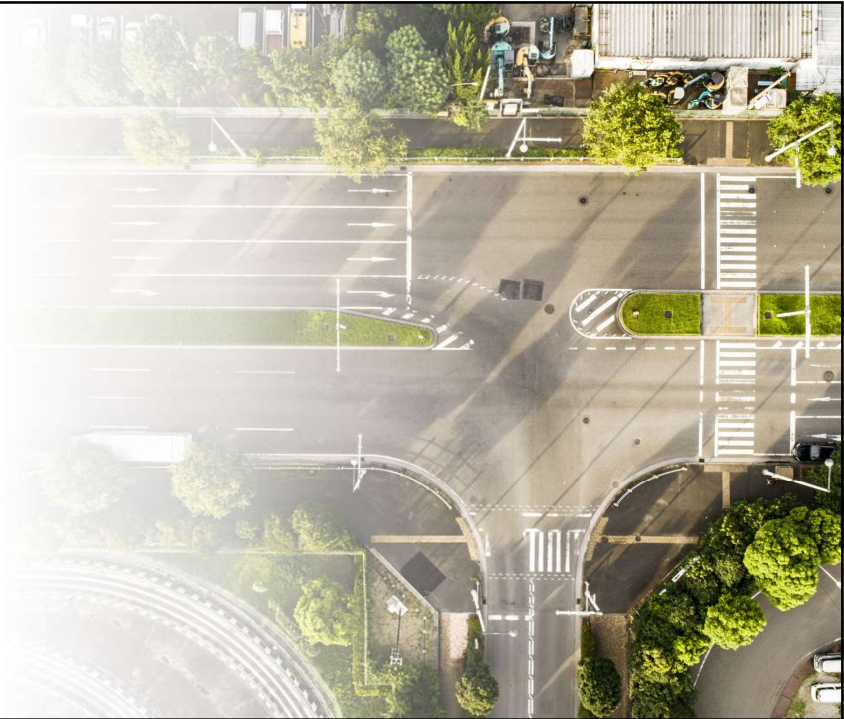
Made up of collectors and residential streets

The design and quality of city streets is significant to all users and is critical to local economies

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## City Streets: MSA/Non-MSA

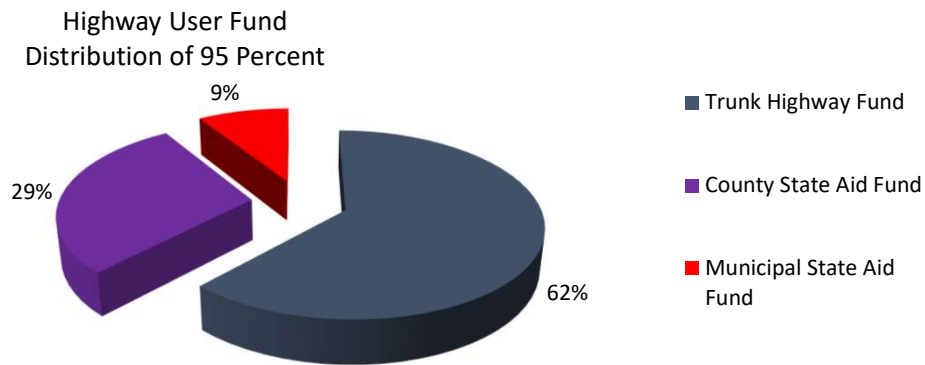
- **City street system is divided into two systems:**
  - **Municipal State Aid (MSA)**
  - **City street system**



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## MSA: Where does it come from?



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## MSA: Eligibility

- **MSA funds up to 20% of streets in cities over 5,000 population**
  - **Currently, 155 (of 854) cities receive MSA**
  - **MSA roads make up less than 16 percent of total city mileage**
- **Additionally, MSA streets have design requirements**



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## MSA: Shortcomings

Lagging HUDTF revenues + more cities hitting 5K population threshold

Most cities are ineligible for MSA

In MSA cities, MSA funds are often exhausted by cost participation in state/county projects

Property taxes supplement MSA on MSA streets

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## Non-MSA City Streets: The 84%

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The city street system (city-owned streets not receiving MSA) makes up the remaining 84% of city streets

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Non-MSA city streets are funded with property taxes, local government aid and special assessments

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Less common: assistance from county, developer fees

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# City Street Funding Challenges



City budgets are strained



Special assessments are unpopular, difficult to administer



Maintenance is affordable, but not always a priority



Tax exempt property does not pay



Local governments pay sales tax on construction materials

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# Priority: Revenue for Non-MSA City Streets

Dedicated revenue for non-MSA city streets

Needed in cities of all sizes

- Small Cities Assistance Account
- Large Cities Assistance Account

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## Priority: Cost Participation Assistance

Assistance shouldering  
cost participation in state  
and county projects

Would prevent delayed  
maintenance on city-  
owned systems

Idea: New account in  
Local Road Improvement  
Program

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## Priority: Street Improvement District Authority

- **Would allow cities to collect fees for:**
  - **Maintenance**
  - **Construction**
  - **Reconstruction**
  - **Fixed transit infrastructure**
  - **Trails and pathways**

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Priority:  
Bonding for  
Transportation

- Corridors of Commerce
- Transportation Economic Development
- Local Road Improvement Program
- Local Bridge Account
- Rail Safety Improvements

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**LEAGUE of  
MINNESOTA  
CITIES**

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