

## **LEGISLATIVE ACTION ALERT - Private Consultant Contracting Bill Scheduled for Senate Hearing**

A bill requiring cities planning to hire private consulting services to initiate a request for qualifications every year is introduced in the Senate and House, [SF 998](#) – Koran and [HF 823](#) – Nelson, and is scheduled for a hearing next week in the Senate Local Government Committee. The bill applies to review of applications for permits, licenses or other approvals and requires cities to provide an applicant paying fees for the services with a written statement of work and a fee estimate. If the applicant challenges the consultant’s review authority or fees, it may appeal to the city council.

Metro Cities, the League of MN Cities, and Municipal Legislative Commission (MLC) oppose the legislation. Cities currently use processes in the provision of consulting services that they use to ensure services that meet community needs for public health, welfare and safety. Cities are also responsible for protecting public assets such as water towers that host private hardware such as antennas. The broad language could apply to engineering services, inspection services, architects, planning services and legal services, as drafted. The bill also requires the information before an application is submitted, not tying the fees to any specific proposal or application. The requirements in this would increase city costs as well as the costs of the consultants which work with cities.

The bill is scheduled for a hearing in the Senate Local Government committee at 8:30 am on Tuesday, March 5. Metro Cities urges city officials to share your concerns with the bill with your local legislators, the bill’s authors or Senate Local Government Committee Chair Dan Hall.

## **February Budget Forecast Released**

State officials from the Office of Minnesota Management and Budget (MMB) released the state’s February Forecast on Thursday. As was anticipated, the General Fund forecast shows a decline in state revenues from FY 2019-2023. This change, due to slower projected growth in the economy, results in a projected FY 2020-21 General Fund budget surplus of \$1.05 billion, down \$492 million from the \$1.5 billion surplus projected in November. The forecast predicts revenue reductions going forward, mostly from individual income taxes. Lower spending of \$92 million is also predicted that will slightly offset the anticipated decline in revenues. State officials attributed the surplus decline to slower economic growth that is predicted going forward, and stated that projected spending will outpace forecasted revenues into FY 2022-23.

The budget documents can be viewed [HERE](#).

## **Governor Announces Metropolitan Council Appointments**

Governor Walz has announced the appointment of members to the Metropolitan Council, and members will be officially sworn in next Wednesday, March 6<sup>th</sup>. Governor Walz appointed three city officials (Molly Cummings-Mayor, Hopkins; Judy Johnson-Councilmember, Plymouth; and Peter Lindstrom-Mayor, Falcon Heights), who will resign their local elected offices to accept

appointment to the Council. Metro Cities congratulates the city officials and other appointees to the Council.

Members were appointed following recommendations by a statutory nominating committee chaired by Janet Williams-Mayor, Savage. The committee, as required by law, forwarded three finalists for each Council district to the Governor. The committee conducted public interviews of five applicants for each district.

The following members, including cities they represent, were appointed:

1. **Judy Johnson** (Corcoran, Dayton, Greenfield, Independence, Loretto, Maple Grove, Maple Plain, Medicine Lake, Medina, Plymouth, and Rogers)
2. **Reva Chamblis** (Columbia Heights, Fridley, Hilltop, Spring Lake Park, Brooklyn Center, Brooklyn Park, Champlin, and Osseo)
3. **Christopher Ferguson** (Chanhassen, Deephaven, Eden Prairie, Excelsior, Greenwood, Long Lake, Minnetonka, Minnetonka Beach, Minnetrista, Mound, Orono, Shorewood, Spring Park, St. Bonifacius, Tonka Bay, Wayzata, and Woodland)
4. **Deb Barber** (Belle Plaine, Carver, Chaska, Cologne, Hamburg, Jordan, Mayer, New Germany, Norwood Young America, Prior Lake, Savage, Shakopee, Victoria, Waconia, and Watertown)
5. **Molly Cummings** (Bloomington, Edina, Hopkins, and Richfield)
6. **Lynnea Atlas-Ingebretson** (Crystal, Golden Valley, New Hope, St. Louis Park, and Minneapolis)
7. **Robert Lilligren** (Minneapolis and Robbinsdale)
8. **Abdirahman Muse** (Minneapolis and St. Anthony)
9. **Raymond Zeran** (Andover, Anoka, Bethel, Coon Rapids, East Bethel, Ham Lake, Nowthen, Oak Grove, Ramsey, and St. Francis)
10. **Peter Lindstrom** (Blaine, Circle Pines, Lexington, Arden Hills, Falcon Heights, Lauderdale, Mounds View, New Brighton, North Oaks, Roseville, Shoreview, and Spring Lake Park)
11. **Susan Vento** (Centerville, Columbus, Lino Lakes, Hugo, Landfall, Oakdale, White Bear Lake, Gem Lake, Little Canada, Maplewood, North St. Paul, Vadnais Heights, and White Bear Lake)
12. **Francisco Gonzalez** (Afton, Bayport, Birchwood Village, Cottage Grove, Dellwood, Forest Lake, Grant, Lake Elmo, and Lake St. Croix Beach)
13. **Chai Lee** (Lilydale, Mendota, Mendota Heights, Sunfish Lake, West St. Paul, South St. Paul, Newport, St. Paul Park, and St. Paul)
14. **Kris Fredson** (St. Paul)
15. **Phillip Sterner** (Burnsville, Eagan, Inver Grove Heights, and Rosemount)
16. **Wendy Wulff** (Apple Valley, Coates, Farmington, Hampton, Hastings, Lakeville, Miesville, New Trier, Randolph, Vermillion, and Elko New Market)

## **Governor Releases Bonding Recommendations**

Governor Walz on Tuesday released recommendations for a capital investment bill totaling \$1.27 billion. Historically, capital investment bills are appropriated in even numbered years, however, the Legislature has passed capital investment bills each session for the last several years. Governor Walz stated that a bonding bill should be considered due to low interest rates and high infrastructure needs while Senate Majority Leader Gazelka has expressed reticence for a capital investment bill this year.

## ***Funding for Metro Area Inflow-Infiltration Mitigation***

The Governor's proposal includes \$5 million for grants to metropolitan municipalities for inflow and infiltration mitigation which is supported by Metro Cities.

### ***Transportation/Transit***

The Governor's recommendation includes a total of \$350 million in total transportation related spending, including \$100 million for the Local Road Improvement program and \$100 million for the Local Bridge Improvement program. \$40 million in trunk highway bonds are directed for seven MnDOT facilities and \$12 million is proposed for at grade rail improvements across the state. The Governor recommends that Met Council receive \$20 million for regional express and local bus route construction.

### ***Jobs & Economic Development***

The bonding proposal includes \$2 million for the Innovative Business Development Public Infrastructure (IBDPI) program, a competitive grant program that provides cities with up to 50% of public infrastructure costs necessary to support economic development in innovative industries. Eligible public infrastructure projects include sewers, streets, utility extensions, land acquisition, and telecommunications.

### ***Housing***

Governor Walz's proposal recommends \$120 million in housing infrastructure bonds (HIB) that can be used to preserve federally subsidized rental housing; to acquire, rehabilitate, or construct permanent supportive housing; or to acquire land that will be held in community land trusts for single family home ownership. An additional \$30 million in general obligation bonds would be used to preserve existing public housing.

## **Legislative Updates**

### ***Simplification of Local Government Construction Sales Tax Exemption***

SF 901-Rest, that simplifies the process for local governments to secure the state sales tax exemption for construction materials, was heard by the Senate Taxes Committee this week. The bill is an initiative of the League of MN Cities, and is supported by Metro Cities. An amendment to add the University of Minnesota was adopted by the committee as the bill was heard. Metro Cities testified in support of the bill along with the League. The bill was laid over for possible inclusion in an omnibus tax bill. The bill's companion has been heard by the House Taxes Committee, and funding to simplify the process is included in the Governor's budget recommendation.

### ***Metropolitan Council Governance***

SF 47-Osmek, that would modify the process for selecting members to the Metropolitan Council by requiring municipalities to directly approve members through a resolution, and would allow a majority of municipalities to remove a member, was heard in the Senate Local Government Committee this week. Metro Cities testified in opposition to the bill, and emphasized the organization's support for increasing local official participation in the selection process by requiring a majority of local officials on a nominating committee, and adding public notice and comment period requirements in law. The bill passed the committee and was sent to the State Government Committee.

### ***Sick/Safe Time, Insurance Bills***

[HF 11](#)-Lesch was heard in the House Government Operations Committee on Tuesday. HF 11 mandates accrual and payment of sick and safe time by all employers. As introduced, employees would accrue a minimum of one hour of earned sick and safe time for every 30 hours worked, up to a maximum of 48 hours per year, and any unused portion within a single year would carry over to the next year, not to exceed a maximum of 81 hours at any one time. The committee also discussed [HF 5](#)-Halverson, which seeks to establish a state-run insurance program that would

partially reimburse the wages lost when workers take time away from work to address a family or medical issue but cannot afford an unpaid leave. Both bills were referred to the Ways and Means Committee.

### ***Residential Building Codes, Housing Affordability Task Force***

The Senate State Government Committee debated and approved a bill to establish a new “legislative commission on housing affordability.” [SF 1294](#)-Draheim, supported by the builders’ association, calls for the commission to study issues relating to housing affordability, existing and future government regulations impacting housing affordability, and access to homeownership.

Metro Cities and the League of Minnesota Cities supported an [amendment](#) that would define housing affordability, expand the commission’s scope to include rental housing, call for the commission to review market forces impacting the cost of housing including workforce and construction materials, and review research and policies to spur the development and preservation of existing of owner-occupied as well as rental housing. The amendment did spark committee debate and discussion on what the commission, if created, would and would not discuss. Ultimately the amendment was not offered for official consideration and was not added to the bill. The Senate bill was passed and referred to the Senate Housing Policy committee. The companion, [HF 1208](#)-Carlson, A., has not been heard in the House.

The House Labor committee discussed a bill on February 27 that would establish a Minnesota State Building Code stakeholder group. [HF 726](#)-Brand, calls for the Labor and Industry commissioner to convene a stakeholder group to review and make recommendations on Minnesota state building codes that should be considered for repeal. The Department of Labor and Industry (DoLI) testified how the state building code is developed using an intensive, stakeholder-driven process. Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

### ***New State Tax Credit, Additional State Funds For Housing***

The House Taxes committee considered a bill on February 27 that would establish a new state tax credit contribution fund for private investors to make contributions to support new construction. [HF 1156](#)-Tabke, seeks to spur new private money contributions into residential development. Savage Mayor Janet Williams testified to her community’s housing needs and support from the state and private sector. The companion bill, [SF 404](#)-Nelson, has not been heard.

Bills to address Minnesota’s housing shortage were heard in the House Housing Finance and Policy Division. [HF 884](#)-Schultz expands the scope of the workforce and affordable homeownership development program to include loans as well as grants, and to include cities and tribal governments as well as nonprofits, cooperatives, and community land trusts. HF 884 was rereferred to Ways and Means. [HF 896](#)-Sauke, which increases manufactured home park’s access to funding sources for acquisition or improvements was laid over for possible inclusion. Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

### ***Housing Challenge Program Funding***

The House Housing committee debated a bill that would increase state funds for the Housing Challenge Program, a flexible Minnesota Housing program that supports multifamily rental as well as single family homes. Challenge is currently slated to receive around \$15 million each year. HF 859-Gunther, would increase the funding by an additional \$7.5 million in both FY 2020 and FY 2021. Governor Walz called for a \$10 million one-time increase in his FY20-21 budget proposal. Metro Cities supports an increased appropriation to meet a wide range of locally-identified housing needs.

The Senate Housing committee received the Legislative Auditor’s program evaluation on the Challenge Program at a February 26 hearing. The evaluation was largely positive, noting how

Challenge is statutorily flexible and is designed to meet local needs. The auditor reviewed how previous appropriations were spent, including single family rehabilitation, constructing new rental units, and the breakdown of loans and grants. The report noted “local identified” housing needs was not defined in statute nor was “local workforce.” Survey respondents noted Minnesota Housing has a well-managed application process and called for increased transparency in the application review process with additional assistance in streamlining applications. The report recommended the legislature determine if the Challenge Program is meeting legislative priorities via its broad purpose and flexibility. Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

### ***Prohibition of State Funds for LRT***

SF 1148-Osmek, that would prohibit the use of state funds for costs incurred by light rail transit projects for capital or operating costs was heard this week. If the bill becomes law, two forthcoming projects in the metropolitan area would be impacted - the Bottineau/Blue Line LRT extension and street car project being developed within the River Corridor that would run between downtown St. Paul and the MSP airport. The bill was laid over for possible inclusion in an omnibus bill. Metro Cities policies support state sources of funding for transit and the organization provided testimony in opposition to the bill.

### **Governor’s DEED Budget Proposal Discussed in House Jobs**

DEED Commissioner Steve Grove presented the Governor’s budget proposal for jobs and economic development on Tuesday. The Commissioner shared details on several items of interest to Metro Cities. While the Governor did not propose a stand-alone appropriation for the redevelopment grant program, his budget supports extending DEED’s authority to transfer up to \$2 million in Minnesota Investment Fund (MIF) funds to the redevelopment grant program that can also be used for demolition loans. This transfer authority was used in the August 2018 and February 2019 grant rounds. Metro Cities is supporting a bill that would fund the redevelopment account with a \$12 million appropriation for the biennium.

The Governor’s budget does not increase funding for MIF or the Job Creation Fund, scheduled to receive \$25 million and \$16 million respectively, in FY20-21. Metro Cities supports \$42 million between the two programs in the next budget, the same funding level as in FY18-19. Walz also supports modifying the local MIF loan funds with expanded scope for use. A [bill introduced this week](#) would extend the ability granted cities previously to use local MIF dollars for any lawful use by paying a twenty percent penalty to the state.

Commissioner Grove also highlighted a continuation of DEED’s previous equity work, called Closing the Opportunity Gap in the budget proposal. Governor Walz calls for \$24.8 million in FY20-21 using general fund dollars as well as dollars in the workforce development fund. Walz also supports \$1 million in grants to support the infrastructure of small nonprofit organizations that have historically supported underserved cultural communities.

A new program called the Minnesota Innovation Collaborative would support entrepreneurs and startups. \$5.8 million would be for research and development grants and entrepreneur benefits; \$1.5 million would be for mentorship, outreach and promoting the innovation ecosystem; and \$1.7 million would be for outreach and an advisory board.

Walz calls for \$70 million broadband funds over the biennium. He does not propose any policy changes to the border-to-border statewide broadband grant program. Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

## Affordable Homeownership Models for Suburban Cities Event

This week, the Metropolitan Council and the Grounded Solutions Network hosted an affordable homeownership workshop at the New Brighton Community Center. Attendees learned about affordable homeownership models and Grounded Solutions Network explained [community land trusts](#) and [cooperative models](#). Northcountry Cooperative Foundation shared experiences helping residents of manufactured housing communities organize cooperatives. The workshop ended with a moderated conversation about local examples of affordable housing options.

## EVENT: Local Governments Roundtable on 2020 Census

The Metropolitan Council is inviting local government professionals and officials who are organizing and supporting Complete Count Activities to attend a meeting of local governments working together to promote participation in the 2020 Census. This meeting is especially geared toward community engagement specialists, voter-registration promotion specialists, and interested elected officials.

**Friday, March 15, 2019**

9:00 am – 10:50 am

**Hennepin Library – Golden Valley**, Meeting Room  
830 Winnetka Ave North, Golden Valley, MN 55427

Click [here](#) for more information and to RSVP. Contact Todd Graham, Metropolitan Council, at [todd.graham@metc.state.mn.us](mailto:todd.graham@metc.state.mn.us) with questions.

## Save the Date for the Metro Cities Annual Meeting!

Mark your calendars and save the date for the Metro Cities Annual Meeting! This year's event will be held on **Wednesday, April 24th** at the Como Park Zoo and Conservatory in the Bullard Rainforest Auditorium. The evening will start with a social hour, followed by a guest speaker, and will wrap up with a brief business meeting to elect members and officers to the Board of Directors.

All member city staff and elected officials are welcome and encouraged to attend. More information and details will follow.

For questions or to RSVP, contact Kimberly at 651-215-4000 or [kimberly@metrocitysmn.org](mailto:kimberly@metrocitysmn.org).

## Metro Cities Board of Directors Openings

Due to term completions, there will be openings on the Metro Cities Board for terms starting on July 1st, 2019, and the organization is seeking interested candidates.

The Metro Cities Board of Directors is comprised of 19 city officials, elected and appointed, from throughout the region. The Board is responsible for overseeing Metro Cities' budget, strategic plan and legislative priorities. It also makes appointments to the Metropolitan Council Transportation Advisory Board (TAB), Technical Advisory Committee (TAC) to the TAB, and Geographic Information Systems (GIS) Board. The Board generally meets the third Thursday of each month, with October meetings held on the second Thursday. Members are elected at the Metro Cities Annual Meeting and serve two, two-year terms. Metro Cities' bylaws require that the slate of Board members be balanced regarding geography and city population.



Candidates are asked to provide a (1) cover letter, (2) résumé and (3) completed [application form](#). Candidates may also provide letters of reference. A Nominating Committee will meet in March to make recommendations on candidates for election by the membership in April.

Applications and supporting documents should be submitted to Kimberly Ciarrocchi at [kimberly@metrocitiesmn.org](mailto:kimberly@metrocitiesmn.org). The deadline for application is **Thursday, March 7, 2019**. If you would like additional information, please contact Patricia Nauman at 651-215-4002 or [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org).

## **Bills of Note**

[HF 1598](#), Hansen: Bill appropriates money for wastewater infrastructure improvements in West St. Paul.

[HF 1606](#), Hornstein: Bill appropriates \$75,000,000 to the Metropolitan Council for construction of bus rapid transit lines.

[HF 1617](#), Urdahl: Bill appropriates \$60 million to the Public Facilities Authority from general obligation bonds, for clean water projects, including those at the city level.

[HF 1623](#), Hornstein: Bill makes several transportation policy changes, including data sharing between the commissioner of human services and the Metropolitan Council to administer and coordinate transportation services for individuals with disabilities and elderly individuals.

[HF 1642](#), Youakim: Makes the state historic tax credit permanent.

[HF 1644](#), Long: Requires multiunit residential facilities to provide access to employees of the United States Census; establishing a Census 2020 Mobilization Partnership program; appropriates money to support certain outreach initiatives to encourage participation in the 2020 federal census.

[HF 1650](#), Poppe: Decreases match required to 25 percent for greater Minnesota cities accessing a redevelopment grant. Appropriates \$10 million to the program.

[HF 1652](#), Youakim: Bill provides for additional financing of metropolitan area transit and paratransit capital expenditures.

[HF 1674](#), Hornstein/[SF 1654](#) Dibble: Bill requires a facilitated conversation between the Metropolitan Council and the Calhoun Isles Condominium Association and requires the Metropolitan Council to conduct a vibration susceptibility study related to the SWLRT project.

[HF 1709](#), Hansen: Bill transfers money to the metropolitan landfill contingency action trust account.

[HF 1715](#), Daudt: Bill regulates the manufacture, sale, and use of fireworks, including aerial fireworks and dedicating a portion of revenues from the sale of certain fireworks for public safety purposes.

[HF 1722](#), Theis: Bill requires the initiation of negotiations to extend and modify current trip times to Northstar Commuter Rail passenger service in order to provide service to St. Cloud.

[HF 1753](#), Long: Bill increases the number of days which in-person absentee voters may deposit a ballot in the ballot box from seven to 19 days before the election.

[HF 1755](#), Stephenson: Bill requires the purchase of electric buses by the Metropolitan Council and appropriates \$4.1 million for that purpose.

[HF 1765](#), Becker-Finn: Bill allows cities and towns to require additional licensing for hotels.

[HF 1770](#), Elkins/[SF 1632](#) Franzen: Bill appropriates money for improvements to marked Trunk Highway 62.

[HF 1777](#), Elkins: Bill authorizes cities to reduce speed limits in residential areas.

[HF 1778](#), Elkins: Bill allows cities of the first class to establish city speed limits.

[HF 1781](#), Mahoney: Bill allows a city that has uncommitted Minnesota Investment Funds to transfer 20% of the balance of that money to the state general fund. Any city that does so may then use the remaining 80% of the uncommitted money as a general-purpose aid for any lawful expenditure.

[HF 1794](#), Nash/ [SF 1650](#) Koran: Bill repeals the prohibition on a municipality issuing more than one off-sale license to any one person or place.

[HF 1826](#), Elkins: Bill authorizes the city of Edina to issue an on-sale intoxicating liquor license.

[HF 1830](#), Sauke/ [SF 1871](#) Koran: Bill appropriates \$5,000,000 in fiscal year 2020 to the commissioner of housing finance for manufactured home park infrastructure grants.

[HF 1876](#), Noor: Tenant notice and right of first refusal of the sale of certain residential rental property.

[HF 1891](#), Vogel: Bill requires a local government to provide for notice and referendum on whether that local government may use a public utility, license, permit, rights, or franchise fees to raise revenue.

[HF 1911](#), Wolgamott: Bill establishes a local cost-share assistance account and appropriates money for local roads and bridges.

[SF 1628](#), Klein: Bill provides a construction exemption for a fire station in the city of Mendota Heights.

[SF 1651](#), Hall: Bill repeals the political subdivision compensation limit which said the salary of a person employed by a political subdivision may not exceed 110% of the salary of the governor.

[SF 1669](#), Draheim: Bill appropriates money to the Housing Finance Agency for a pilot program to provide grants to municipalities for up to 50% of the costs of infrastructure that would otherwise be required to be paid by the developer of new housing developments.

[SF 1675](#): Anderson, B.: Bill requires a pilot program for organic road salt additives for protection of waters and infrastructure.

[SF 1718](#), Bigham: Bill appropriates money for South St. Paul infrastructure in the Concord Street corridor.

[SF 1749](#): Newman: Bill makes transportation policy changes that include provisions governing bicycles, school bus warning lights, driver's license suspension, airport zoning and legislative route removals.

[SF 1903](#), Torres Ray: Bill repeals the prohibition on local ordinance governing plastic bags and similar items.

[SF 1906](#), Ruud: Bill establishes a response program to support control of emerald ash borer (EAB) and provides matching grants to cities that are responding to EAB.

[SF 1909](#), Howe: Bill allocates state general sales tax revenue related to motor vehicle repair and replacement parts exclusively to fund state and local roads.

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