



Metro Cities News

February 15, 2019

Metropolitan Council Nominating Committee Submits Finalists

The Metropolitan Council Nominating Committee completed interviews this week of applicants to the Council and submitted its list of finalists to Governor Walz for consideration.

The nominating committee, as required by state law, identified [three finalists for each district](#). The Governor must appoint members to the Council by March 6th. Metro Cities will post additional information as it is received.

MNLARS Bill Receives Hearing in House Transportation Committee

A bill that would reimburse deputy registrars for costs incurred due to the troubled rollout of the MN Licensing and Registration System (MNLARS) was laid over for possible inclusion in an omnibus bill by the House Transportation Committee. [HF 635 -Hansen](#) allocates \$11.7 million from the general fund to help deputy registrars defray costs they incurred due to the burden of MNLARS system failures. The bill also allocates \$11.7 million to the Department of Public Safety (DPS) to continue the work necessary to fix the system. MN IT Services (MNIT) and DPS have stated that without additional funds before March, work to improve the system will be delayed.

Metro Cities staff testified in support of this legislation.

OLA Special Review on MNLARS Released

The Office of the Legislative Auditor (OLA) released a Special Review titled "Factors That Contributed to MNLARS Problems" this week. The review was performed in response to the July 2017 release of the MN Licensing and Registration System (MNLARS) by Department of Public Safety (DPS) and MN IT Services (MNIT), with a goal of determining what factors contributed to the MNLARS project's troubled history and rollout.

The review identified several factors contributing to the unsuccessful release of MNLARS and identified a lack of sufficient oversight and governance of the project. The review also found that the project has cost \$106 million from 2008 to 2017. The review did not identify a lack of funding as playing a role in the failures of the system.

The review focused on the vehicle portion of the system released in 2017. The OLA reviewed project-related documents and interviewed or corresponded with approximately 60 state employees, contractors or stakeholders. The OLA provided a comprehensive look at events and decisions related to MNLARS.

Legislative Audit Commission members, who are House and Senate Legislators, expressed their apologies and shared frustrations with the public regarding the unsuccessful rollout. The members also heard from the new DPS Commissioner and MNIT Acting Commissioner on updates to how work is being conducted now. To view the Special Review, click [here](#).

Metro Mobility Bill Passes Senate Transportation Committee

A bill to improve data sharing between the Department of Human Services (DHS) and the Metropolitan Council to create efficiencies in the Metro Mobility program was passed by the Senate Transportation Committee. [SF 695](#), Hall would allow DHS and the Met Council to share data on elderly and disabled individuals so that the agencies can find efficiencies in how rides are delivered. The bill also expands the Metro Mobility service area to any area that pays into the transit taxing district. This expansion would include the cities of Lakeville, Ramsey, Maple Plain, Forest Lake, and Columbus. The bill was passed to the Judiciary and Public Safety Committee. Metro Mobility currently faces a \$36.5 million budget shortfall and efficiencies in service delivery could improve the financial situation of the service.

Metro Cities supports funding levels adequate to meet the needs of Metro Mobility.

House Transportation Field Hearings Scheduled

The House Transportation Finance and Policy Committee will be conducting several field hearings away from the Capitol. So far, two of these field hearings will be conducted in the metro. The committee is welcoming public testimony on transportation-related issues for these areas. Those that wish to provide testimony to the committee may do so by contacting the committee administrator John Howe by email at John.Howe@house.mn. Meeting information is below.

Tuesday, February 26

6:00 – 8:30 pm

North High School Auditorium

1500 James Avenue North

Minneapolis, MN 55411

Friday, March 1

9:00 am – Noon

Blaine City Hall

10801 Town Square Drive NE

Blaine, MN 55449

MnDOT Accepting Local Road Improvement Program Applications Through March 1st

MnDOT has announced a new solicitation for the Local Road Improvement Program (LRIP). MnDOT has stated the goal of this solicitation is to generate a list of eligible projects for future grant funding. The last solicitation was conducted in 2017, and awards from a \$35 million bonding allocation in 2018 were based on that solicitation.

For more information and to access the application form, click [here](#). The completed application form must be submitted electronically to saltirhelp.dot@state.mn.us by March 1. Cities that applied in 2017 do not need to resubmit, unless there have been project changes.

Metro Cities policy supports state funding for the LRIP and encourages all members with eligible projects to apply.

Metropolitan Council Concurs with Regional Solicitation Projects

The Metropolitan Council concurred with the Transportation Advisory Board (TAB)-approved Regional Solicitation projects at their meeting on Wednesday. The Regional Solicitation is the

method by which federal transportation dollars from the Surface Transportation Block Grant Program and Congestion Mitigation Air Quality program are allocated within the metro area. The funding was distributed among roadway, transit and travel demand management, and bicycle and pedestrian projects.

A total of \$199.75 million in total projects was approved. Of this amount, \$109 million went to roadways, \$52 million went to transit and travel demand management projects, and \$31 million went to bicycle and pedestrian projects. \$4.585 million was also approved for two unique projects, with \$4 million going to a car share project in St. Paul and \$585,000 for the Regional Travel Behavior Inventory.

To view selected projects, click [here](#).

Inflow-Infiltration Mitigation Bills Receive Hearings

Bills to assist metro area cities with inflow-infiltration (I/I) mitigation that are supported by Metro Cities were heard in three House committees this week. HF 582-Hansen, which provides a \$10 million capital appropriation for grants to eligible metro area cities for I/I mitigation on local public infrastructure, was heard in the House Water Division and House Capital Investment Committee this week. HF 266-Freiberg, which provides \$5 million from the Clean Water Fund to assist with private property I/I mitigation, was heard by the House Environment Committee at its meeting this week, held at the Dodge Nature Center in West St Paul. Bills were laid over for further consideration.

Thank you to Newport Mayor Dan Lund and West St. Paul Mayor Dave Napier, as well as West St. Paul City Manager Ryan Schroeder and Public Works Director Ross Beckwith, for providing testimony this week. The bills have not yet been heard in the Senate. Metro Cities has consistently initiated bills to provide capital funding for I/I mitigation and secured \$1 million from the Clean Water Fund for private property I/I mitigation in 2013. Metro Cities is advocating for both bills this session.

State's January Revenues Lower Than Anticipated

The State's Revenue Review for January, issued by the Office of Management and Budget (MMB) shows net general fund revenues for January at 10.7%, or \$272 million, below what was forecast. Individual and corporate income tax receipts came in at levels lower than anticipated for January. Year-to-date receipts for FY 2019 are 2.8%, or \$374 million, below forecast. As with any monthly update, MMB emphasizes that variations must be interpreted with caution as collection rates may vary depending on a range of factors. The next complete budget forecast will be released in late February.

Click [here](#) for the January Revenue Review.

Legislature and Governor Set Finance-Related Deadlines

This week, Governor Walz and legislative leaders announced legislative finance-related deadlines that will follow the regular committee-related deadlines. The additional deadlines are as follows: May 1st, finance bills must be passed off the floor and conference committees appointed; May 6th, finance committee chairs will have fiscal targets; and May 13th, conference committee reports are due for return to their house of origin. These deadlines are in addition to the annual committee deadlines. For 2019 these are: March 15th, committees must act favorably on bills in their house of

origin; March 29th, committees must act favorably on bills that met deadline in the other body; and April 12th, committees must act favorably on appropriations and finance bills.

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.

Questions? Contact Kimberly at 651-215-4000 or kimberly@metrocitiesmn.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 can be submitted to Kimberly Ciarrocchi at kimberly@metrocitiesmn.org. The deadline for application is **Monday, March 4th, 2019**. If you would like additional information, please contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org.

Elections Bills

The House Subcommittee on Elections heard elections bills and passed [HF 40](#) (Dehn), which proposes to amend state law to stipulate that a felon's voting rights are only lost during their period of incarceration. The author argued that disenfranchising people with a felony unfairly penalizes communities of color and runs counter to efforts to reduce recidivism. The Secretary of State Steve Simon, Hennepin County Attorney Mike Freeman, the city of St. Paul, and people with felony records were among those who testified in support of the bill. The League of Minnesota Cities also testified in support of this bill, arguing it would eliminate confusion for election judges. The bill is headed to the House Government Operations Committee.

Construction Sales Tax Exemption Bills

[HF 670](#) (Freiberg) and [HF 779](#) (Swedzinski), which would exempt Minnesota cities from paying sales tax on construction materials, were heard in the House Taxes Committee. These bills are initiatives of LMC and are supported by Metro Cities. The committee discussed a third bill, [HF 702](#) (Swedzinski), which would expand the existing motor vehicle tax exemption for town purchases of road maintenance vehicles such as snow plows and dump trucks to include purchases of these vehicles by other local governments. This bill would only cover vehicles that assist in local road repair. All three bills were laid over for possible inclusion in the tax omnibus bill.

House, Senate Committees Discuss Residential Development Fees

The housing committees in the House and Senate on Wednesday heard from cities and builders on cost inputs for new residential development. The hearings were spurred by a recent paper commissioned and authored by the Twin Cities builders' association, now titled Housing First Minnesota. See [last week's newsletter](#) for additional information.

The committees heard from the Department of Labor and Industry, the state agency responsible for developing state building codes; a representative from the state architects' association; several builders from across the state; and city officials. Metro Cities thanks the City of Hugo and City of Lakeville from the metro area, and City of Austin and City of Cambridge from greater Minnesota, for providing detailed information on how cities work with residential developers and builders to support a range of community housing needs. City officials explained how a key component to these relationships and housing development planning is how to pay for the critical infrastructure this new growth requires.

City testifiers highlighted their local experiences working with developers to fund streets, sewer and drinking water infrastructure. Metro Cities recognizes cities establish fee structures for residential development to cover the costs of growth and corresponding needs for public infrastructure and supports those decisions being made at the local level.

A bill to initiate a legislative group to study several issues related to home ownership and housing affordability was introduced this week. [HF 1208](#) (Carlson – Bloomington) and [SF 1294](#) (Draheim – Madison Lake) would establish a Legislative Commission on Housing Affordability which is charged with studying issues relating to housing affordability, existing and future government regulations impacting housing affordability, and access to homeownership. The commission would have three duties: research and analyze emerging issues negatively affecting housing affordability and homeownership access, especially with regard to first-time home buyers and socially and economically disadvantaged buyers; review and provide the legislature with research and analysis of policies to reduce the homeownership equity gap; and review and make recommendations on legislative and rulemaking proposals positively impacting personal housing affordability, access to homeownership, and other related barriers to homeownership.

Metro Cities and the League of Minnesota Cities will continue to monitor legislation related to these issues. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Met Council Reports on Affordable Housing Trends in the Metro Region

The Metropolitan Council released a new [MetroStats report](#) on new affordable housing added in the seven-county Twin Cities region in 2017. The report found 28.4 percent of the region's households were housing-cost burdened in 2017 and the largest racial disparities in homeownership rates are between white households and households of color.

The highest production of affordable units were developed in Saint Paul (575 units), Minneapolis (241 units), Spring Lake Park (194 units), Apple Valley (190 units), Brooklyn Center (158 units), and Columbia Heights (148 units). Affordability is defined as housing units that low-income households could pay for with up to 30 percent of their monthly income. Low-income households are defined as having incomes up to 60 percent of area median income (AMI). Of the 1,731 affordable units added in 2017, multifamily units remained the predominant housing type (at 98 percent) and most (77 percent) affordable units were priced at 50-60 percent AMI. 25 were single family detached and zero affordable townhomes were built.

The report also highlighted the net loss of 1,251 of the region's affordable units between 2011 and 2017. The loss of affordable units can occur after the sale of a property or when income restrictions expire.

Livable Communities Fund Distribution Plan Approved by Met Council

The Metropolitan Council approved the [2019 Fund Distribution Plan](#) Wednesday. The approved plan followed debate and discussion at several Community Development Committee meetings as well as feedback from several cities and Metro Cities.

The plan authorizes \$21.4 million in funding for 2019: \$7.5 million for the Livable Communities Demonstration Account (LCDA); \$5 million for the LCDA-Transit Oriented Development (TOD) category, including \$500,000 for pre-development; \$2.5 million for the Local Housing Incentives Account; \$5.9 million for the Tax Base Revitalization Account, including \$250,000 for site investigation grants; and \$500,000 for the TBRA Seeding Equitable Economic Development category.

Several changes were made in the 2019 plan. The separate TBRA-TOD category was eliminated, and those funds were rolled into the broader TBRA funding category which will still include TOD-eligible areas. Other changes include higher scoring opportunity for jobs, engagement, and design in both the LCDA and LCDA-TOD categories; modifying eligibility for land acquisition in LCDA and LCDA-TOD to focus on affordable housing and jobs projects that are accessible to low-income and underserved populations; and more support for small jobs projects in TBRA.

Additional guidance will be released when each funding round becomes available. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

EVENT: 2019 Economic Development Day at the Capitol

Metro Cities, the Economic Development Association of Minnesota (EDAM), Minnesota Brownfields, Small Business Development Center, and County Economic Development Officers are partnering on an event at the Capitol.

Tuesday, February 26, 2019

9:00 am - 12:00 pm

Room 300 North

State Office Building, 100 Rev Dr Martin Luther King Jr Blvd
St. Paul, MN 55155

Join Metro Cities and economic development officials from across the metro region and state to get involved in the state legislative process and advocate for economic development funds and tools. City, county, state and private sector officials are coming together to demonstrate the importance of local tools to address housing, economic development and community

revitalization. It will be a great opportunity to meet with lawmakers and network with your peers across the state. You will be able to visit with your lawmakers and legislative leadership. Metro Cities members may [register for free](#).

EVENT: Affordable Homeownership Models for Suburban Cities

Registration is open for a February event that will present models for cities to support affordable homeownership opportunities. Cities will be able to connect with similar communities and learn how to support or expand affordable homeownership opportunities. Community land trusts, manufactured home park preservation and cooperative models will be covered. The event is sponsored by Grounded Solutions Network and the Metropolitan Council. [Registration information](#).

Thursday, February 28, 2019

8:00 am – 1:00 pm

New Brighton Community Center

Bills of Note

[HF 949](#), Hansen: Bill provides a onetime local government aid adjustment for the city of Lilydale.

[HF 951](#), Becker-Finn: Bill provides for automatic voter registration of applicants for a driver's license, instruction permit, or state identification card.

[HF 954](#), Xiong, J./ [SF 1069](#), Jasinski: Bill appropriates funds for a grant to Big Brothers Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21.

[HF 969](#), Murphy: Bill provides additional local government aid adjustments.

[HF 980](#), Gomez: Bill allows individuals under the age of 18 to vote at a primary election if they are otherwise eligible to vote and will be 18 in the general election.

[HF 983](#), Elkins: Bill allows cities to adopt ranked-choice voting, establishes procedures for adoption, implementation, and use of ranked-choice voting.

[HF 1008](#), Elkins: Bill increases vehicle registration fees.

[HF 1009](#), Marquart: Bill creates an open appropriation from the general fund to the public safety officer's benefit account providing for reimbursement for continued health insurance coverage.

[HF 1031](#), Hertaus/ [SF 1147](#) Osmek: Bill increases the city population requirement to qualify for exemption from certain temporary license issuance restrictions to 10,000.

[HF 1095](#), Elkins/ [SF 1271](#) Senjem: Bill establishes procedure for creating municipal street improvement districts.

[HF 1098](#), Bernardy: Bill modifies provisions related to electronic voting systems, permitting alternative printed ballot styles.

[HF 1101](#), Brand/ [SF 1305](#) Eken: Bill increases the appropriation for local government aid.

[HF 1102](#), Lislegard: Bill increases the appropriation for local government aid.

[HF 1109](#), Drazkowski: Bill establishes a procedure for provisional balloting.

[HF 1119](#), Becker-Finn/ [SF 1163](#) Isaacson: Bill allows liquor to be sold at a Roseville golf course.

[HF 1123](#), Bahner: Bill allows voter electronic signatures during elections for purpose of electronic rosters.

[HF 1124](#), Morrison: Bill appropriates money from the general fund to the Metropolitan Council to operate and maintain metropolitan area regional parks.

[HF 1137](#), Kresha: Bill appropriates \$100,000,000 in fiscal year 2020 to the border to border broadband fund account.

[HF 1139](#), Dehn/ [SF 1179](#) Anderson, B.: Bill prohibits the annexation of a designated area by means other than those identified in an orderly annexation agreement and prohibits annexation of the designated area by nonparties.

[HF 1141](#), Sandell: Bill appropriates money to study managed aquifer recharge and requires a report.

[HF 1146](#), Dehn/ [SF 1122](#) Franzen: Bill establishes a mileage-based user fee pilot program and requires a report.

[HF 1147](#), Dehn: Bill allows voters to be absent from work to vote in person on elections day.

[HF 1163](#), Marquart: Bill increases aid appropriations to cities.

[HF 1180](#), Vogel: Bill allows cities to require by resolution that a candidate for local elective office if the candidate wishes to have their write-in votes counted.

[HF 1184](#), Koegel: Bill appropriates \$12,000,000 over two fiscal years from the general fund to the commissioner of employment and economic development for redevelopment grants and demolition loans.

[HF 1185](#), Claflin: Bill appropriates 21,000,000 for the Minnesota job creation fund.

[HF 1193](#), Elkins: Bill modifies the special TIF authority for Southeast Redevelopment Project Area in Edina.

[HF 1197](#), Lesch: Bill prohibits access by a government entity to electronic communication held by a service provider or other third party unless certain procedures are followed.

[HF 1218](#), Lesch: Bill increased the authorized local lodging tax rate for the city of St. Paul.

[HF 1239](#), Wagenius: Bill directs the commissioner of health to test for contaminants in certain surface water used as drinking water, requires identification and implementation of source water protection strategies, directs the commissioner of health to adopt health risk limits for certain substances and requires reports.

[HF 1255](#), Wagenius: Bill authorizes cities to adopt certain pesticide control ordinances.

[SF 1019](#), Lang: Bill appropriates money from the outdoor heritage fund and provides matching grants to local governments for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife.

[SF 1040](#), Rest: Bill authorizes local lodging tax for the city of Plymouth.

[SF 1043](#), Koran: Allows shareholders of manufactured home park cooperatives to include a portion of ground lease payments when filing for the homestead credit state refund

[SF 1058](#), Dziedzic: Bill gives \$200,000 over two years to the commissioner of administration to be used for grants to cities to improve website accessibility.

[SF 1068](#), Miller: Bill expands the exemption for ambulance and firefighting equipment.

[SF 1071](#), Cohen: Bill appropriates money to remove and replace the Third Street/Kellogg Boulevard bridge in St. Paul.

[SF 1081](#), Howe: Bill established a local cost-share assistance account, appropriating money for local roads and bridges.

[SF 1082](#), Howe: Bill appropriates money for the small cities assistance program.

[SF 1088](#), Little: Bill provides for staggered terms in Metropolitan Council.

[SF 1089](#), Rest: Bill provides for additional financing of parks, trails, and recreational facilities for local units of government by special fees.

[SF 1092](#), Newman: Bill appropriates money for the Minnesota Licensing and Registration System (MNLARS) and Driver Vehicle Services.

[SF 1093](#), Newman: Bill expands uses of appropriations for corridors of commerce program for projects already selected.

[SF 1103](#), Utke: Bill requires law enforcement officers to record the country of citizenship and immigration status of people who are arrested for felonies.

[SF 1109](#), Hoffman: Bill establishes grants to address PTSD among firefighters.

[SF 1124](#), Senjem: Bill increases vehicle registration fees and deems issuance of duplicate certificates by deputy registrars and expedited service.

[SF 1135](#), Bakk: Bill adjusts local government aid.

[SF 1148](#), Osmek: Bill defines light rail transit and streetcars, prohibits the use of state funds for operating costs of future light rail lines, creates a new definition of operating costs for purposes of state share of light rail operating costs, and prohibits the use of state funds for capital costs of light rail.

[SF 1156](#), Wiger: Bill requires the Metropolitan Council to provide a minimum level of service between downtown St. Paul and the Maplewood Mall Transit Center.

[SF 1157](#), Dziedzic: Bill eliminates the state preemption of the first-class pesticide control ordinances.

[SF 1161](#), Clausen: Bill authorizes municipalities to enter a fire protection district.

[SF 1172](#), Lang: Bill permits carrying of a gun on city property.

[SF 1173](#), Matthews: Bill prohibits cities from increases a present excise tax or impose a new tax on containers.

[SF 1183](#), Little: Bill provides campaign finance regulation for elected Metropolitan Council members, establishes process to fill a vacancy, and provides for staggered terms.

[SF 1188](#), Little: Bill modifies allocation of motor vehicle lease sales tax revenue by removing the Minnesota state transportation fund and the highway user tax distribution fund.

[SF 1189](#), Little: Bill provides for automatic voter registration of applicants for a driver's license, instruction permit, or identification card.

[SF 1205](#), Little: Bill authorizes towns in a metropolitan county with fewer than 2,000 registered voters to conduct elections by mail.

[SF 1228](#), Howe: Bill establishes a local cost-share assistance account within the Local Road Improvement Program, available to cities.

[SF 1269](#), Carlson: Bill establishes a larger cities assistance account and funds the account by dividing a \$10 surcharge on vehicle registration between the Small and Larger Cities accounts.

[SF 1272](#), Rest: Bill allows cities to impose a local sales tax if certain requirements are met, including a referendum.

[SF 1279](#), Jasinski: Bill establishes a local cost-share assistance account and appropriates \$100 Million to both the Local Road and Local Bridge Improvement Programs.

Metro Cities News is emailed periodically to all Metro Cities member mayors, councilmembers, city managers and administrators to keep officials abreast of important metro city issues. This information is also intended to be shared with city staff.

If you'd like to sign up to receive Metro Cities News, please email newsletter@metrocitiesmn.org and provide the following: Name, Title, Employer and Email address. Thank you.

Metro Cities 145 University Ave W., St. Paul, MN 55103-2044 Phone 651-215-4000 Fax 651-281-1299
www.MetroCitiesMN.org