May 2019 State Revenue Review

The Office of MN Management and Budget (MMB) released its May Revenue Review, showing that net general fund revenues totaled $148 million, or 9% more than what was forecast in February. Total receipts for the year to date show net revenues at 3.6% higher than forecast. The MMB notes that all monthly revenue reviews are preliminary and should be interpreted with caution. The May review can be viewed HERE.

Redevelopment Grant and Demolition Loan Program Call for Applications – Due August 1

DEED's Brownfields and Redevelopment Unit announced this week it is soliciting applications for grant funding for redevelopment projects through the Redevelopment Grant and Demolition Loan Programs.

Metro Cities was instrumental in securing state funding for the redevelopment grant and demolition loan programs in the 2019 legislative session. For the next funding round, approximately $2 million will be available for distribution for the Redevelopment Grant and Demolition Loan Programs. Cities with redevelopment funding-eligible sites are encouraged to apply.

The deadline for the submission of applications is 4:00 p.m. on Thursday, August 1, 2019.

DEED will host a workshop in the metropolitan area in late June to provide potential applicants with more information about the program and answer any questions. Details about these workshops will be available on the DEED website soon.

For questions regarding the application process, please contact Brownfields and Redevelopment Unit staff at 651-259-7451. More information on the Call for Applications can be found here.

Metropolitan Council to Offer Stormwater Management Grants

The Metropolitan Council has approved a process for 2019 stormwater management grants, funded with $500,000 from the Council’s operating budget. The goal of the grant program is to help fund practices to treat and manage stormwater for redevelopment projects, or to retrofit fully developed areas with new management practices to reduce pollution. The Council has administered previous rounds of stormwater management grants. The focus on grants in redevelopment projects is new for this round. Applications must be submitted by July 15, 2019. More information can be found HERE.

Please contact Joe Mulcahy at 651-602-1104 for more information.

MCES Budget Workshops; Proposed Wastewater Rates
Metropolitan Council Environmental Services (MCES) recently held two customer budget workshops. The purpose was to provide city officials and staff with information regarding MCES’ services, costs and projects and proposed 2020 wastewater rate changes.

For 2020, the Regional Wastewater Charge is proposed to be 3.6%. The SAC (sewer availability charge) will be held at its current level and the Industrial Waste Strength Charge is proposed to increase by 4.5%. The Industrial Permit Fee will increase by 3.6%. These increases represent regional average increases. Individual city customer rates will vary depending on city flow activity. Rates for 2020 will be adopted by the Metropolitan Council in late July.

To view the MCES presentation provided at the workshop, click here. The materials included information on MCES’ budget structure and information and links to a customer service portal that contains a data ‘dashboard and other links and resources.

Metropolitan Council Discusses Climate Change and Comprehensive Plans

The Metropolitan Council heard an informational presentation on Wednesday from DNR Senior Climatologist Kenny Blumenfeld on hydroclimatic conditions in the Twin Cities area. The presentation included historical weather and climate data and climate trends for the region. According to the DNR, the metropolitan area is projected to experience more precipitation, more frequent weather events and larger event extremes. The region will experience a warming trend, especially at night and during the winter, with cold extremes becoming less common and less severe. The state is in its wettest decade on record and 245 million additional gallons of water have fallen in the metropolitan area in the last 10 years when compared to a typical year historically.

During the discussion, it was noted that several cities had included resiliency planning in their local comprehensive plans, and some members expressed support for including resiliency planning as a requirement for the next round of local comprehensive plans and discussed whether the Council should consider passing a resolution to this effect. Resiliency planning is currently an optional component, and according to a recent Metropolitan Council newsletter, approximately 50 percent of cities included a resiliency component in their recently submitted plans. Other members pointed to the importance of approaching any additional plan requirements in cooperation with the Council’s municipal partners. Council staff discussed general processes for local plans, noting that requirements for plans are based on the best available information and data at the time, and that the Council would have the opportunity at that time to address specific requirements for the next round of comprehensive plans, using current data.

Metro Cities will continue to monitor this issue and will also generally discuss issues associated with comprehensive plans, requirements and review processes in Metro Cities’ Metropolitan Agencies Policy Committee this summer.

Regional Transit Performance Evaluation and Transit Ridership Report Released

Metropolitan Council staff presented two reports to the Council’s Transportation Committee on Monday that included a First Quarter Ridership Report and Transit System Performance Evaluation.

The First Quarter Transit Ridership Report includes transit ridership data for the first quarter of this year. The report shows a 7% decline in overall transit ridership when compared to the first quarter of 2018. 19 million rides have been provided, compared to 20.5 million at this time last year. Metro Mobility saw a ridership increase of 2% and was the only mode that saw an increase. Local bus
service, which accounts for the majority of transit rides, saw a 9% decrease. LRT ridership was down 4%, BRT was down 5% and commuter and express bus service was down 8%. Council staff indicated the decline is likely due to several bad weather days, low car travel costs and recent transit fare increases. To view the First Quarter Ridership Report presentation, click [here](#).

A second report, the Regional Transit Performance Evaluation, is required by state law to be provided prior to updating the Transportation Policy Plan (TPP) and includes transit performance for the region as well as an analysis of transit in peer regions.

The evaluation looked at 2017 data for all service types and included ridership data, passenger per service hours, and subsidy per passenger. Core Local bus service was the most used service type, with 45.9% of all rides, followed by 26.3% for light rail transit, 14% for commuter and express bus and 4.4% for suburban local bus. Arterial bus and light rail transit showed increased efficiency trends, measured by number of passengers per service hour.

Other bus services showed declining efficiency. When comparing operating cost to ridership, core local bus accounted for 38.7% of costs and 45.9% of ridership, LRT was 14.1% of operating costs and 26.3% of ridership, commuter and express bus was 17.2% of cost and 14% of ridership, suburban local bus was 5.7% of cost and 4.4% of ridership and ADA dial-a-ride was 12.7% of cost and 2.5% of ridership. Key feedback provided by the evaluation are that bus ridership is declining but continues to account for the majority of transit ridership. In addition, overall demand for transit service remains strong, especially for LRT. BRT has been successful and demand for Metro Mobility service is increasing and consuming a larger share of the available transit funding.

The transit evaluation also compared the transit system to 12 peer regions. Regions were compared based on spending, ridership, and passenger subsidy metrics. On a per capita basis, $193.14 is spent on the region’s transit system. This is slightly higher than the peer average at $192.13. Of the peer regions evaluated, Seattle spends the most per capita at $382.95 and Phoenix spends the least at $94. In terms of total ridership, the metro region is above the peer average of 86.8 million rides, with a total of 95.5 million rides. Seattle has the highest ridership at 198.3 million rides and Milwaukee has the lowest at 36.5 million rides. The metro region subsidizes $4.20 per ride, lower than the peer average of $4.53 per ride. San Diego has the lowest cost subsidy per ride at $2.53, while Dallas has the highest at $6.77. All data used was from 2017. To view the Regional Transit Performance Evaluation, click [here](#).

**Legislative Water Commission Set to Sunset July 1**

The Legislative Water Commission (LWC) met this week after it was discovered that the Omnibus State Government funding bill did not extend the Commission’s July 1st sunset date. As a result, the LWC will cease to exist as a stand-alone Commission after July 1st. The bill did include funding for the Commission within the Legislative Coordinating Commission (LCC) and it is the intent of the LCC to have the LWC to continue to function as a subcommittee of the LCC until further consideration of the Commission can be addressed in the next legislative session.

The LWC was established to review water policy reports and recommendations from state agencies and the Metropolitan Council, and other water-related reports as may be required. The Commission also makes recommendations to assist the legislature in formulating legislation related to water issues.

**Metropolitan Council Considers New Uses of Regional Parks Fund Interest Earnings**
The Metropolitan Council is considering new uses for interest earnings from its regional parks funds.

From 1985 through December 31, 2017, all interest earned on regional parks system appropriations to the Metropolitan Council were legislatively earmarked to support North Mississippi Regional Park. In 2015, the Legislature directed the Council to use “the interest earning for the use and betterment of all regional recreational open space lands under the jurisdiction of the Metropolitan Council.” This language was effective January 1, 2018. Council staff explained interest earning parameters, which allow for operating and capital expenses, but do not allow distribution outside of the regional parks implementing agencies.

Regional parks system funds come from several sources, including Legacy funds, state general obligation bonds and the Metropolitan Council’s bonds. The interest amount, according to the Council, totaled an estimated $700,000 in 2018. Past annual interest earnings have ranged from $100,000 to $500,000.

The Council has solicited feedback on use of interest earnings from the regional park implementing agencies, the Metropolitan Parks and Open Space Commission (MPOSC) and Community Development Committee (CDC). Future feedback will be provided by the Council’s Equity Advisory committee and continued discussion at the CDC.

At a recent CDC meeting, Council staff explained several possibilities based on initial stakeholder feedback. These include direct distribution to regional parks implementing agencies (equal distribution, formula distribution or reimbursements of a local match), competitive grants to implementing agencies, and centralized regional initiatives including visitor research, a marketing campaign to drive visitors, and other equity efforts.

The Council will decide how to use the funds in time for its 2020 budget. Metro Cities will continue to monitor Council discussions and decisions on how use of the interest earnings will transition from a specific park to a regional distribution.

**Feedback Requested! Metro Cities’ License & Permit Fee Survey**

Metro Cities has provided a License and Permit Fee Survey biennially for several years, and we’re at the time when we would normally begin to open the survey for updates. The vendor Metro Cities contracts with has notified us that the survey software needs significant upgrades and Metro Cities will hold on updating the survey to address the necessary upgrades.

This presents an opportunity to examine the survey product and determine member satisfaction levels and future needs. Metro Cities is forming a focus group to determine how the survey is utilized, its benefits and challenges, whether the survey should continue, and what a survey should look like going forward. We want to determine whether and how the survey meets your needs to ensure that this is a useful product.

We would like to know - as soon as possible - whether you have an interest in serving on the focus group. The time commitment is expected to be three to four meetings over the summer and fall. Your input is invaluable as we examine the survey product. Regardless of whether or not you serve on the focus group, we invite and encourage you to share any feedback from your experience using the License and Permit Fee Survey or options for the survey that you wish would be available. Please email kimberly@metrocitiesmn.org.

**Please note! Both the coordinator side and the results side of the survey are now closed.**

Please contact Kimberly if you wish to access the information.
Questions or comments? Please contact Kimberly at 651-215-4000 or kimberly@metrocitiesmn.org.

Don’t Forget! Join Metro Cities at the June LMC Annual Conference

If you’re attending the 2019 League of MN Cities’ Annual Conference in June in Duluth at the Duluth Entertainment Convention Center (DECC), plan to join your metro colleagues for breakfast on Thursday, June 27th at 7:30 am. This is a great chance to mingle with other Metro Cities members and to hear a brief update from Metro Cities staff.

If you’re able to join us, please let Kimberly know at 651-215-4000 or kimberly@metrocitiesmn.org as soon as possible. We hope to see you there!

2019 Metro Cities Policy Committees

If you haven’t signed up, we hope you will consider joining a Metro Cities policy committee this summer! Metro Cities’ policy development process begins in July, with policy committees meeting once per month in July, August, and September. The Transportation and General Government, Municipal Revenues, Metropolitan Agencies, Housing and Economic Development committees recommend legislative policies to the Board for the next legislative session, and once adopted by the Board and membership, policies serve as a foundation for our work at Metro Cities. Being part of this process is a great opportunity for your city to have a voice in the policies and legislative process.

Policy committees are open to city staff and elected officials and the form to sign-up can be found on our website on the Policy Committees page. Whether you are new or have participated in the past, we welcome your participation on one or more committees in 2019. Committees typically host a variety of speakers on topics related to policies to provide relevant information for committees.

Remember:

• Committees meet either Monday, Tuesday, or Wednesday from 9:00-11:30 am or from 1:00-3:30. The committees and dates are listed on our website here, and updates and additional information will be posted on these pages as it becomes available.
• Please actively sign up HERE for the committee(s) you wish to attend, even if you have been on the committee in the past. This will help us keep our rosters current and correct!
• All meetings take place at the Metro Cities/LMC building at 145 University Avenue W., St. Paul.

We look forward to seeing you!

Questions? Contact Kimberly at 651-215-4000 or kimberly@metrocitiesmn.org.

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.