



DEDICATED TO A STRONG GREATER MINNESOTA

May 3, 2023

Re: House File 2887 – Omnibus Transportation Bill

Chair Dibble, Chair Hornstein, and Conferees to House File 2887, the Omnibus Transportation Bill:

The Coalition of Greater Minnesota Cities (CGMC) submits this letter for your consideration regarding various provisions in the omnibus transportation bill. First, the CGMC extends our thanks to both Senator Dibble and Representative Hornstein for putting forward omnibus bills that include numerous provisions that will benefit local governments. As conferees are aware, while the state’s general fund is currently flush with a historic surplus, Minnesota’s existing sources of transportation funding have not kept up with our infrastructure needs. Because of that, the CGMC appreciates the efforts by both the House and Senate to bring new revenues to our transportation system. We respectfully submit the following comments on specific items in the bills.

**Small Cities Assistance Funding**

CGMC Position: Adopt ongoing, dedicated funding for small cities.

The CGMC thanks both Senator Dibble and Representative Hornstein for the inclusion of ongoing, dedicated funding for the Small Cities Assistance program. Each of the omnibus transportation bills that passed off the floor in both chambers meets the goal of finally providing substantial, reliable funding for cities with populations of less than 5,000.

The CGMC understands that each bill has different mechanisms and funding amounts for the program. Rather than take a position on which specific mechanism moves forward, we emphasize this: with the incredible resources at the state’s disposal, and the number of years the state has failed to address this inequity, it will be a stunning and unacceptable failure if ongoing dedicated funding does not move forward this year. We urge you to move this priority forward.

**Additional MSA Funding and Large Cities Assistance Account**

CGMC Position: The CGMC supports additional MSA funding and urges the adoption of the Senate’s provision creating the Larger Cities Assistance Account.

The decline in the effectiveness of Minnesota’s existing dedicated transportation revenue sources has impacted cities over 5,000 through decreased Municipal State Aid dollars. The CGMC supports the funding in both bills that would flow to MSA cities to not only backfill those funds but advance them. The CGMC also supports the Senate bill’s creation of the larger cities assistance account to support street needs in those communities above and beyond the streets designated to their MSA system.

**Corridors of Commerce Policy**

CGMC Position: Only the House version of the bill creates a structure that would advance the goal of ensuring that large projects are geographically balanced throughout the entire state. The committee should adopt either the House version or a hybrid of the House and Senate approaches. The CGMC also feels that the project readiness development language in the House version is an essential component of the Corridors program going forward.

While both bills contain mechanisms that will increase the likelihood that program funding will reach projects in metropolitan area collar counties, the CGMC’s analysis is that only the House version of the bill adequately ensures Greater Minnesota projects are likely to be distributed throughout the state. The Senate bill leaves in place the general structure of the program that, in 2018, led to Greater Minnesota projects being clustered immediately adjacent to the metro area. Under this structure, it was only by special legislative directive that any dollars went to other projects any further than 40 miles from downtown Minneapolis.

The CGMC recommends that the conference committee adopt either the House version of the language or a hybrid of the approach in both bills that separates projects outside the 11-county metropolitan area into their own category. This approach would ensure that rural projects are not forced to compete with metro-adjacent projects and protect against counties being divided into multiple geographic areas, which was a critique of the House language.

**Greenhouse Gas Impacts Language**

CGMC Position: The CGMC is deeply concerned that this language—as it passed both floors—could delay or halt otherwise worthy—and sometimes life-saving—transportation projects. Moreover, mitigation opportunities specified in the bill appear more difficult to address for Greater Minnesota projects than metropolitan area ones.

The CGMC recognizes the author’s intent for this language is to address greenhouse gas emissions in the transportation sector. However, the current language of both the House and Senate bills places that consideration above numerous others, including safety.

At best, the understanding of this language’s potential impact is drastically underdeveloped. It is concerning that proponents of the bill cannot say, with specific reference to the language of the bill itself, that it will not act as a barrier for life-saving transportation projects to move forward because they are unable to meet the required mitigation steps. For example, had this language been in place at the time, it is questionable whether life-saving projects like improvements to Highway 14 between Owatonna and Dodge Center or between Nicollet and New Ulm would have moved forward.

While the CGMC would prefer this issue to be tabled until next session so that additional stakeholder input can be gathered, at a minimum, the final version of the language must ensure that projects with an overwhelming safety interest can move forward. The CGMC would also support language to specifically exempt projects that qualify for Corridors of Commerce funding from this requirement or other efforts to balance this requirement against other interests.

**Thank you**

With any questions about the CGMC’s transportation priorities, please feel free to contact Shane Zahrt at [SAZahrt@flaherty-hood.com](mailto:SAZahrt@flaherty-hood.com) or (651) 295-1123.

Sincerely,



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