



525 Park Street, Suite #110
Saint Paul, MN 55103

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February 7, 2022

Chair Hansen and Environment and Natural Resources Finance and Policy Members:

The Associated of General Contractors of Minnesota (AGC of MN) is a non-profit, construction industry trade association dedicated to promoting opportunity and excellence in the building and highway construction industries throughout Minnesota. Our 400+ members include general contractors, specialty contractors, and affiliated businesses who have a vested interest in these industries.

AGC of MN appreciates the opportunity to engage and advocate for HF 2854 (Sundin) - Local Road Wetland Replacement \$10 million appropriation. One of AGC's goals at the legislature is to advocate for stable funding for roads, bridges, and transit to address unmet needs across the state. The Local Road Wetland Replacement Program is an important source of funding for transportation needs across the state of Minnesota.

The Program needs serious funding from the State to meet its obligation under Minn. Stat. § 103G.222 to assist in meeting the state and federal permit requirements. In recent years, the legislature has funded this program, but the funding levels have fallen short of the needs. The Program provides essential funding needed to keep the wetland mitigation program operating and avoid delay in much needed projects. Without additional funding, there likely will be delayed road safety projects, negative job and business impacts, and the potential for increased local property taxes.

AGC of MN asks that you consider funding this program at its highest level to maintain this important program for wetland mitigation and safe roads.

Sincerely,

Laura Ziegler
Director of Highway/Heavy and Government Affairs



February 8, 2022

Re: Local Government Support of HF 2854 (Sundin) - Appropriating \$10 Million to Local Government Road Wetland Replacement Program (LGRWRP)

Dear Chair Hansen and Committee Members:

The Association of Minnesota Counties, Minnesota Inter-County Association, and Minnesota Rural Counties are unified in our support for increased funding for the Local Government Road Wetland Replacement Program (LGRWRP) such as proposed by HF2854 (Sundin).

The LGRWRP was created in 1996 to ensure a reliable, ecologically appropriate 'bank' of wetland credits is available at the start of each construction season. Each spring, local governments then apply to use those wetland credits when undertaking local road safety improvement projects that require wetland replacement.

The development of replacement wetlands has historically been funded exclusively by general obligation bonds. Unfortunately, multiple years of inconsistent and inadequate funding in the last decade led to near total depletion of readily available replacement wetlands. Because wetlands often take multiple years to develop once general obligation bonds are authorized, General Fund (cash) infusions became necessary to support immediate purchase of privately developed wetlands to keep road projects on schedule.

Year	Agency Capital Budget Request (in millions)	Appropriation
2008	\$8.5	\$3.48
2010	\$8.42	\$2.5
2012	\$13.1	\$6.0
2014	\$5.4	\$2.0
2016	\$10.3	\$0
2017	\$10.3	\$10.0 ¹
2018	\$16.38	\$6.7
2019	\$26.4	\$0
2020	\$26.4	\$23.0 ²
2022	\$20.0	TBD

¹ Includes \$5m from the General Fund

² Includes \$8m from the General Fund



The 2020 bonding bill took a significant step toward shoring up the replacement wetland credits by including both general obligation bonds and general fund cash. Routine funding for LGRWRP is needed.

We thank Representative Sundin for authoring HF2854 to appropriate **\$10 million from the General Fund for the LGRWRP**. We support this effort and would also support either full funding of the agency's request for \$20 million (\$14 million GO, \$6.0 million GF) or the establishment of sufficient base fund to ensure the Board of Water and Soil Resources (BWSR) has the resources it needs to routinely plan for, design, and develop these multi-year construction projects.

The essential local road projects that access the LGRWRP are commonly delivered by local contractors in communities throughout Minnesota, support local jobs and enhance safety. Adequate and routine funding is needed to break the cycle of depleted replacement wetlands and ensure these local projects remain on track.

We thank Representative Sundin for authoring this legislation and we thank Chair Hansen and committee members for hearing HF 2854 today.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Matt Massman'.

Matt Massman, Executive
Director
Minnesota Inter-County
Association

A handwritten signature in black ink, appearing to read 'Todd Patzer'.

Todd Patzer, President
Association of Minnesota
Counties

A handwritten signature in black ink, appearing to read 'Luke Johnson'.

Luke Johnson, MRC Chairman
Minnesota Rural Counties