



DEDICATED TO A STRONG GREATER MINNESOTA

**To: Representative Masin and Members of the House Local Government Division**

**Subject: Support House File 1565**

**Date: March 2, 2021**

Dear Chair Masin and Members:

On behalf of the Coalition of Greater Minnesota Cities (CGMC), I write in support of House File 1565, which would authorize cities to establish street improvement districts to fund street maintenance, construction, and related transportation infrastructure improvements. The CGMC is an organization of 109 cities located outside of the seven-county metropolitan area, which advocates for our member cities in key policy areas, including transportation.

Cities across the state are struggling to keep pace with street maintenance and construction as existing infrastructure ages, local budgets are strained, and help from state sources is either insufficient or non-existent. Cities are in a distinctly challenging position when it comes to street funding. Those with populations less than 5,000 receive no dedicated street funding from the state. While Cities over 5,000 in population receive Municipal State Aid (MSA), those funds often come up short of meeting local needs, and can only be applied to 20% of a city's street system. In total, nearly 84% of the city streets in Minnesota are ineligible for any state support, meaning they are funded only through property taxes or special assessments.

The CGMC asks for your support of HF 1565, to provide cities with a funding tool to help address those mounting street needs. Street improvement districts are a mechanism that is both effective and fair, by establishing a funding tool with a direct relationship between those who pay fees for an infrastructure improvement and the location of those improvements.

Thank you for your consideration of this bill, and we urge you see this measure through to final passage. With any questions about this letter, please feel free to contact me at (651) 295-1123 or SAZahrt@flaherty-hood.com.

Sincerely,

Shane Zahrt, Flaherty & Hood, PA.  
Government Relations, Coalition of Greater Minnesota Cities