



MLC 2021 LEGISLATIVE PLATFORM

Economic Recovery

The past year has brought unprecedented challenges to cities, businesses, and individuals. MLC has always supported economic development programs helping businesses and workers in our cities. This year economic recovery is a key priority for MLC Cities.

I) Support for Small Businesses and Their Workers

Small businesses are the engines of local economies; however, many have been hard hit by repercussions from the pandemic. MLC supports programs designed to keep local businesses and their workers afloat and thriving as they face the consequences of a global pandemic. The hospitality industry has been hit especially hard and MLC supports efforts to prevent permanent closures and job loss in this industry.

Other states have created grant programs for targeted industries. For example, Nebraska is directing over \$75 million toward hospitality grants, allowing hotels, event centers, restaurants, and other hospitality venues to obtain relief of up to \$500,000. Wisconsin has allocated \$45 million to hospitality firms for grants of up to \$500,000, as well. MLC supports programs that help our small businesses and workers rebound from the pandemic.

II) Support Increased Investments in Minnesota Investment Fund (MIF)

The Minnesota Investment Fund provides financing to help add new workers and retain high-quality jobs in Minnesota. Funds are awarded to local units of government that provide loans to assist expanding businesses. The focus is on industrial, manufacturing, and technology-related industries to increase the local and state tax base and improve economic vitality statewide. All projects must meet minimum criteria for private investment, number of jobs created or retained, and wages paid. At least 50 percent of total project costs must be privately financed through owner equity and other lending sources (most applications selected for funding have at least 70 percent private financing).

Of the approximately 100 projects funded with MIF since 2015, around one-quarter were in MLC Cities, including: Apple Valley, Chanhassen, Eagan, Eden Prairie, Lakeville, Maple Grove, Minnetonka, Plymouth, Savage, Shakopee and Woodbury. Many cities had more than one investment from MIF since 2015.

III) Support Increased Investments in Job Creation Fund

The Job Creation Fund provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets. Companies must work with the local government (city, county or township) where a project is located to apply to DEED to receive designation as a Job Creation Fund business. Companies deemed eligible to participate may

receive up to \$1 million for creating or retaining high-paying jobs and for constructing or renovating facilities or making other property improvements. In some cases, companies may receive awards of up to \$2 million.

Of the approximately 100 projects funded with JCF since 2015, around one-quarter were in MLC Cities, including: Apple Valley, Bloomington, Chanhassen, Eagan, Eden Prairie, Lakeville, Maple Grove, Minnetonka, Plymouth, Savage, Rosemount, Shakopee, Shoreview, and Woodbury. Many cities had one than one investment from MIF since 2015.

Transportation and Infrastructure

According to census data, MLC cities combined are among the biggest job producing areas in the state with over half a million employees (619,470) compared to Minneapolis/St. Paul with a combined total of 518,637. Along with those jobs comes added congestion and demand on transit and roads in MLC Cities. MLC supports increased investment in transportation to maintain and grow a robust transportation network.

I) Support Comprehensive Transportation Bill

MLC supports regionally balanced transportation funding that addresses the long-term needs of our state and is inclusive of all modes of transportation. MLC supports long-term increased transportation investments that will reduce congestion, provide funding for local roads and bridges, invest in non-motorized modalities, and build a transit system that matches demands in a post-pandemic world.

II) Invest in Transportation Economic Development (TED)

MLC supports increased investments in the Transportation Economic Development (TED) program. MLC was a key stakeholder in passage of the Transportation Economic Development Program (TED) in 2010. The program is a partnership between DEED and MnDOT to leverage public and private funding for transportation programs with significant economic impact. The Bonding Bill passed in October 2020 included \$2.9 million for TED. MLC supports additional funding in a comprehensive transportation bill.

Examples of TED projects in MLC Communities:

- I-494/ East Bush Lake Road (Bloomington/Edina)
- I-394/ Ridgedale Drive Interchange (Minnetonka)
- Lexington Avenue adjacent to I-694 (Shoreview)
- Shady Oak Road widen and reconstruct (Eden Prairie)
- I-94 and 34th Avenue Interchange (Bloomington)

III) Invest in Corridors of Commerce

Corridors of Commerce was established by the Legislature in 2013 with an initial authorization of \$300 million. Corridors of Commerce funds projects that provide capacity in areas with bottlenecks; improve the movement of freight; and reduce barriers to commerce. There is currently \$0 in Corridors of Commerce funding available.

Examples of Corridors of Commerce projects in MLC Communities:

- I-494/I-35W Interchange and I-494 MnPass Lanes (Bloomington)
- Highway 169 – Nine Mile Creek Bridge (Edina)
- I-35W – Minnesota River Crossing (Burnsville)
- I-694 - Additional lane between Rice Street and Lexington Avenue (Shoreview)
- Hwy 13 and Dakota Avenue Freight Access and Mobility (Savage)

IV) Infrastructure Fees

New development and the resulting growth have placed an increased demand on cities for public infrastructure. This demand and limited financial resources have forced cities to reconsider how they pay for the significant costs associated with new development. Traditional financing methods tend to subsidize new development at the expense of existing taxpayers and this approach does not allow for the best land use planning. As a result, cities are exploring methods to ensure that new development pays for new development.

In *Harstad v. City of Woodbury*, the Minnesota Supreme Court ruled that the current state statute does not provide authority for cities to impose infrastructure fees for all necessary road improvements external to a new development. However, current law does allow cities to impose fees on new development of other infrastructure such as water, sanitary and storm sewer, and for park purposes. Thus, it seems reasonable to extend the fee for infrastructure concept to additional public infrastructure such as major roadway improvements that are necessitated by new development. The MLC supports legislation that gives cities the ability to impose infrastructure fees so the costs of new development aren't shifted onto existing taxpayers.

Local Control

Local government entities are closest to their constituents, most knowledgeable about their communities, and most invested in the welfare and success of their residents. These locally elected officials are in the best position to make important decisions about regulations, finance, and operations.

I) Preserve Local Authority

A. Support local government authority for land use decisions- zoning and regulatory controls.

Cities are in the best position to understand the needs of the community and must have sufficient decision making authority to manage development in the community. MLC opposes any statutory changes that would erode this critical long standing decision making authority.

B. Support city authority to protect existing taxpayers and recover costs associated with development activity

Cities have the responsibility to minimize the impact of new developments on existing residents. Local leaders must ensure balance and equity on infrastructure investments, however, those initiated by new developments must not be passed on to existing taxpayers.

II) Oppose Fiscal Limitations such as levy limits or reverse referenda on the decisions of local government officials

Local taxpayers hold their local elected officials accountable for local government spending and taxing decisions. When the State imposes levy limits, reverse referenda, or other fiscal restraints on local elected officials, it negatively impacts the ability of cities to meet the needs of their residents and removes the autonomy of local officials.

MLC opposes state limitations on local decision-making that inhibit the ability of cities to plan their budgets with confidence.

III) Preserve the integrity of the Fiscal Disparities Program

The Fiscal Disparities program was enacted in 1971 to reduce disparities in tax base wealth between taxing units within the metropolitan area. Removing revenue from the pool to pay for legislative priorities runs counter to the purpose of the program. Further, the Program should not be expanded to include residential housing and should be used solely for commercial/industrial tax base redistribution. The intended uses of the program should remain intact.

IV) Support Repeal of the Local Government Salary Cap

Minnesota law limits the salaries of city employees to 110 percent of the Governor's salary, with an annual inflationary adjustment based on the Consumer Price Index. No other state in the nation puts a limit on local government salaries. Locally elected city councilmembers and mayors are in the best position to determine the needs of their communities, including the compensation of city employees.

The artificial cap on salaries places Minnesota cities at a disadvantage when recruiting and retaining talented individuals. Minnesota law already requires that each political subdivision post the salaries of its three highest-paid employees on its website, so the salaries of key employees are readily known to the local taxpayers and voters who provide the ultimate check on the actions of city councils.

Between 1998 and 2003, the Legislature exempted entities including school districts, hospitals, clinics and health maintenance organizations owned by a government organization from the salary limitation. During the 2018 session, the Legislature expanded that exemption by allowing the Metropolitan Airports Commission to be exempt from the salary limitation.

The Legislature should end the salary cap altogether and be consistent with all political subdivisions.

For questions about the MLC's Legislative Program, please contact:

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A special thanks to our Legislative Program Subcommittee members:

Bill Droste, Mayor, Rosemount

Larry Fonnest, City Council Member, Golden Valley

Dave Callister, City Manager, Plymouth

Mike Maguire Mayor, Eagan

Geralyn Barone City Manager, Minnetonka (MLC Vice-Chair)

Justin Miller City Administrator, Lakeville

Heather Johnston, City Manager, Chanhassen

Rick Getschow City Manager, Eden Prairie

Jim Hovland, Mayor, Edina (MLC Chair)

Terry Schwerm City Manager, Shoreview

Joe Lynch, City Administrator, Inver Grove Heights

Tom Lawell City Administrator, Apple Valley

Municipal Legislative Commission

The MLC is an association of 19 suburban communities providing a voice at the capitol to promote transparency, accountability and equity in public policy decisions.



2021 Legislative Priorities

Economic Recovery

- **Support for Small Business**
- **Support Increased Investments in Minnesota Investment Fund (MIF)**
- **Support Increased Investments in the Job Creation Fund**

Transportation and Infrastructure

- **Support a Comprehensive Transportation Bill**
- **Invest in Transportation Economic Development (TED)**
- **Invest in Corridors of Commerce**
- **Support City Authority to Impose Infrastructure Fees**

Local Control

- **Preserve Local Authority in Land use and Development Activity**
- **Oppose Fiscal Limitations on City Officials (i.e. Levy Limits, and Reverse Referenda)**
- **Preserve the Integrity of the Fiscal Disparities Program**
- **Support Repeal of the Local Government Salary Cap**

MLC Policy Positions

- Supports individual property tax relief through the circuit breaker program
- Supports preserving the integrity of the Fiscal Disparities Program
- Opposes automatic inflationary increases in LGA
- Supports policies that preserve local control over development decisions so existing taxpayers are not required to subsidize growth
- Supports state funding for new early-voting responsibilities that fall on cities
- Supports regional capital bonding equity



MLC Cities - Population and Jobs

City	Population	Jobs
Apple Valley	54,400	16,169
Bloomington	90,271	91,391
Burnsville	62,785	35,680
Chanhassen	26,278	16,327
Eagan	69,231	58,375
Eden Prairie	64,567	62,627
Edina	53,268	44,899
Inver Grove Heights	35,321	10,621
Golden Valley	22,715	34,513
Lakeville	65,831	18,119
Maple Grove	68,101	36,825
Minnetonka	54,141	50,104
Plymouth	79,475	56,241
Prior Lake	27,005	8,521
Rosemount	25,202	7,480
Savage	32,245	8,774
Shakopee	41,528	26,523
Shoreview	26,695	10,756
Woodbury	71,616	25,525

Data from <https://stats.metc.state.mn.us/profile/Default.aspx>

MLC City Statistics

- Total Population: 970,675
- Total Jobs: 619,470
- MLC cities generate approximately 23% of sales tax in MN
- Total Legislators in MLC Delegation: 46

MLC Government Relations Team

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