



DEDICATED TO A STRONG GREATER MINNESOTA

**To: Representative Fue Lee and members of the House Capital Investment Committee**  
**Re: House File 337**  
**Date: April 13, 2021**

Dear Representative Lee and committee members,

I am writing on behalf of the Coalition of Greater Minnesota Cities (CGMC) to express our significant disappointment with the House capital investment bill unveiled on Monday. Normally our organization would be pleased to strongly support a robust investment package that addresses critical infrastructure needs throughout the state. This year in particular, we have been advocating for an investment bill that will serve as the foundation for economic recovery in all corners of our state as the COVID-19 pandemic recedes. Unfortunately, this is not that bill.

While the bill includes funding for several statewide programs that could see some dollars make their way to our communities, they are not programs that target Greater Minnesota's unique infrastructure needs nor ones that will do much to support future economic growth. Please read on for more details on our major concerns with the bill:

#### **Bill drastically underfunds clean water infrastructure**

Our greatest disappointment with the bill is the under-investment in clean water infrastructure; \$15 million for the Public Facilities Authority (PFA) is simply inadequate to address the critical water needs of our entire state.

Although the 2020 bonding bill contained record funding for water infrastructure, the PFA programs remain underfunded. The State of Minnesota projects \$4.12 billion and \$7 billion in wastewater and drinking water needs, respectively, over the next 15-20 years. To address these ongoing urgent needs, CGMC supports funding of at least \$100 million (HF 1100) for PFA grant and loan programs this year.

As this committee heard earlier this session, many communities — in both Greater Minnesota and the metro area — have clean water infrastructure projects that are ready and need to move forward this year. These are necessary projects that remove mercury, chloride or phosphorus from effluent before it reaches Minnesota's waters; address damage caused by extreme water events; or help cities ensure that their citizens have clean water to drink.

Moreover, the \$15 million appropriation for the PFA in this bill ignores the Point Source Implementation Grant Program (PSIG), which specifically provides grants to local governments for infrastructure repairs and upgrades to reduce pollutants such as chloride, phosphorus, and mercury in our waters.

Every Minnesotan deserves clean water, yet this bill fails to adequately address this basic need.

### **Economic development funding ignores Greater Minnesota**

The bill includes millions of dollars for programs administered through the Minnesota Department of Economic Development, yet only a small fraction of that funding is directed toward needs in Greater Minnesota. While we do not begrudge funding for economic development initiatives in the metro area, we urge you to fund targeted investments in Greater Minnesota as well.

For the last two decades, one of the most impactful programs for job creation and business growth has been the Greater Minnesota Business Development Public Infrastructure Grant Program (BDPI). By providing funding for public infrastructure that supports new and expanding businesses throughout Greater Minnesota, the BDPI program will be especially important in the near future as our communities recover from the pandemic. This year, CGMC supports \$20 million for this program (HF 311).

### **Housing investment fails to address Greater Minnesota's unique needs**

The bill contains significant investments in existing housing programs, but it fails to address the unique challenges in Greater Minnesota, specifically in regard to workforce housing. In a bill that spends \$290 million on housing, we are dismayed that \$2.5 million could not be scraped together to fund the Greater Minnesota Housing Public Infrastructure Grant Program, a new program that would assist communities with funding public infrastructure needs related to housing development (HF 430).

### **Metro parks get significant funding, but Greater Minnesota is overlooked**

Finally, I would like to address the imbalance in the treatment between parks and trails in Greater Minnesota and the Metropolitan Council Parks and Trails system in this bill, which further amplifies the imbalance seen in other bills, including HF 1072 and the Legacy bill.

For example, HF 1072 (the omnibus environment and natural resources bill) provides more than \$18 million from general fund and lottery-in-lieu funds to Metropolitan Regional Parks and Trails for operations and maintenance, while a bill to fund the operations of the Greater Minnesota Regional Parks and Trails Commission at a cost of only \$450,000 a year was not even granted a hearing in the House Environment and Natural Resources Finance and Policy Committee.

HF 337 grants an additional \$11.5 million for Metropolitan Regional Parks and Trails, but \$0 for Greater Minnesota. This committee heard a bill that CGMC supports, HF 1039, which dedicates \$4 million to the Outdoor Recreation and the Local Trail Connections grant programs. These are two competitive statewide programs that would at least allow Greater Minnesota cities and counties to seek to provide similar opportunities for outdoor recreation as their metro-area counterparts. The capital investment bill contains no funding for either of these grant programs.

The regional and local parks and trails in Greater Minnesota deserve support from the Legislature, especially at a time when Minnesotans and visitors are seeking more outdoor activities and flocking to parks and trails in record numbers.

### **Bright spot: Much-needed funding for child care facilities**

The one bright spot of this bill is the inclusion of \$10 million to the Department of Human Services for early childhood learning facilities and \$5 million to the Department of Employment and

Economic Development for the Greater Minnesota Child Care Facilities Grant Program. These dollars, combined with other efforts being pursued at the Legislature this year, are critical to combat the acute shortage of child care in Greater Minnesota. We applaud their inclusion in the bill.

**Conclusion**

This capital investment bill includes some positive aspects; however, none of those things are going to be significant in helping Greater Minnesota's economy recover from the COVID-19 pandemic. With more than \$1 billion being spent through this bill, far too little of that funding goes toward needs in Greater Minnesota. As you continue to refine and reshape this bill, we urge you to address the unique challenges facing Greater Minnesota communities, families, and businesses.

Thank you.

Sincerely,



Greg Zylka, Mayor of Little Falls  
President, Coalition of Greater Minnesota Cities

cc: Governor Tim Walz  
Speaker of the House Melissa Hortman  
House Minority Leader Kurt Daudt  
DEED Commissioner Steve Grove  
DNR Commissioner Sarah Strommen  
PFA Executive Director Jeff Freeman