



February 25, 2021

Dear Chair Hornstein,

On behalf of the Minnesota Chamber of Commerce, representing more than 6,000 employers and their more than 500,000 employees across the state, I am writing today in support of HF 602 (Jordan), to include Bus Rapid Transit in the authorized uses for the funding derived from the transit value capture district in Minneapolis.

For many years, the Minnesota Chamber has advocated for the use of new user fee models like “Value Capture” tax mechanisms, to capture incremental property valuation increases as a result of transportation development to match a portion of a project’s cost with those who most directly benefit from it. We believe such mechanisms can be utilized in a meaningful way to help fund increased investment in transportation in the state. The potential of these user fees models to help fund transportation infrastructure is real. A 2009 study done by the Center for Transportation Studies (CTS) at the University of Minnesota found that these kind of funding mechanisms could be used to fund anywhere between 9% and 50% of the capital costs associated with certain transit projects.

Value Capture has proven to be a useful tool in many other states, cities, and regions in the United States. Portland, Seattle, Los Angeles, Washington DC, Charlotte, Dallas and many other cities have used value capture to help fund various transit projects. Passage of HF 602 will ensure that the Value Capture mechanism that has been in place since 2013 to help fund transit investment in Minneapolis can be used to help bring a new transit option to the targeted corridor and, in doing so, offer policymakers, stakeholders, and the public an important “proof of concept” here in our state, demonstrating the usefulness and effectiveness of Value Capture as a meaningful funding mechanism.

I want to thank Rep. Jordan for bringing HF 602 forward and encourage the Committee’s support.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bentley Graves", is written over a light blue circular stamp.

Bentley Graves
Director, Health Care & Transportation Policy