



Legislation Details (With Text)

**File #:** Res. 2019-055      **Version:** 1      **Name:**

**Type:** Resolution      **Status:** Passed

**File created:** 5/16/2019      **In control:** City Council

**On agenda:** 6/4/2019      **Final action:** 6/4/2019

**Title:** Consider Resolution Requesting State Capital Investment Bonds for Regional Transit Hub in the City of Northfield.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 1 - Resolution of Support State Bonding Transit Hub, 2. 2 - Current HF 2295, 3. 3 - 2019\_05\_21 Council Worksession Presentation transit hub options, 4. 4 - Hyperlink - Historical Bonding Funds, 5. 5 - Hyperlink-2020 Capital Budget Instructions

Date	Ver.	Action By	Action	Result
6/4/2019	1	City Council	approve	Pass

**City Council Meeting Date:** June 4, 2019

**To:** Mayor and City Council

**From:** Ben Martig, City Administrator

Consider Resolution Requesting State Capital Investment Bonds for Regional Transit Hub in the City of Northfield.

**Action Requested:**

Staff recommends a motion to approve Resolution Requesting State Capital Investment Bonds for Regional Transit Hub in the City of Northfield.

**Summary Report:**

Minnesota's *capital budget* is primarily funded by issuing state general obligation bonds. Items funded in capital budgets often include land acquisition, repair, renovation and construction of state facilities; acquisition, construction and repair of state parks, trails, interpretive centers, campground facilities, forests, wildlife management areas, dams and flood control structures.

Capital budgets also include grants to local government for projects of regional significance that may include things such as repair and construction of schools, parks, ice arenas, stormwater management facilities, public safety training facilities, bridges and waste-water treatment facilities. Historically, major capital budget bills have been passed in even-numbered years. Attached is a link to current 2019 Governor Recommended projects as well as a link to historical bonding projects if you'd like additional detail for reference.

Minnesota Management & Budget issues instructions for capital budget requests in April of the year preceding its submission to the Legislature. Preliminary submissions of state agency capital budget requests are due in

June, with final submissions due in September. The Governor submits a proposed capital budget to the Legislature in January of even-numbered years.

Minnesota Management and Budget has posted application instructions for local units of government and political subdivisions to apply for capital budget grants for the 2020 bonding cycle (see attached hyperlink).

The City of Northfield has two active bills for capital bonding projects in the 2019 process: one for the transit hub and one for Mill Towns Trail connections related to the Jefferson Parkway/246 intersection project. Local government bonding projects included in this year's 2019 bonding bill should also apply. Staff is not recommending to pursue the Mill Towns Trail connection as the timeline will not allow it to be completed in conjunction with the 2020 intersection project. Therefore, we are suggesting to just include the transit hub.

Staff has added cost estimates for additions to the project scope including the pavilion, quiet zone rail crossing on 2<sup>nd</sup> Street, and trail connection addition. Staff removed the access drive from bonding request but explained the City is in process of exploring that in 2019.

The House Capital Investment Division intends to place a high priority on projects that submit an application through MMB. Going through the process ensures the project is on the Governor's and Legislature's radar screens and helps local units understand their statutory responsibilities and expectations. Submissions are also heavily relied upon when planning statewide site visits for the Capital Investment division tours (in late summer and fall.)

Staff believes keeping the funding at the same funding level will be advantageous for keeping information simple and the bill the same at the Legislature. Additionally, a local match will likely help in building more support legislatively for the bill.

**Alternative Options:**

Request alternative funding amount from State or local match. Add or remove items from the project scope. For example, staff reviewed consideration of adding quiet zone crossings at St. Olaf and Highway 19 but felt it would likely complicate the messaging of the project that goes beyond just a transit station. Staff would continue to be open to exploring other opportunities for funding quiet zones in the future.

**Financial Impacts:**

The following is a current estimated total project cost as prepared by City Engineer Bennett:

**Table 1. Summary total project cost for construction 2021.**

Expense	
Description	Cost (2021)
2 <sup>nd</sup> and 3 <sup>rd</sup> Street Parking Lots	\$1,485,260
Transit Hub Building	655,080
Pavilion	589,572
2 <sup>nd</sup> Street Railroad Quiet Zone	265,000
<u>Trail Connection</u>	<u>106,000</u>
Total Project Cost	3,100,912

Revenue

City of Northfield Proposed TIF4, Reserves, Debt	600,912 (19,4%)
<u>State of Minnesota Proposed</u>	<u>2,500,000 (80.6%)</u>
Total Project Revenue1	3,100,912

The City has a current bonding bill of \$2,500,000 that is in an active status. Staff is recommending to keep the funding at the same level as at the Legislature as noted above.

**Tentative Timelines:**

June 15 - Application Deadline.