



Legislation Text

File #: 19-886, **Version:** 1

City Council Meeting Date: May 21, 2019

To: Mayor and City Council

From: Ben Martig, City Administrator
Discussion of City Local Bonding Request to State of Minnesota for 2020 Legislative Session.

Action Requested:
Discussion only.

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. We will be working on cost estimates and also could consider changes to the scope of the project. For example, we'd likely be removing the access drive from bonding request but explain the City is in process of exploring that in 2019. However, we are suggesting to add the pavilion into the project scope.

The City of Northfield could seek requests for additional bonding. We do not need to submit a request for funding of Mill Towns Trail construction in Northfield as we expect it to be submitted through an agency request or through the Lessard-Sams Outdoor Heritage Council. This entity was established by the legislature with the responsibility of providing annual funding recommendations to the legislature from the Outdoor Heritage Fund and would include State Trail projects. We would anticipate supporting lobbying efforts to encourage the funding of Mill Towns Trail funds in Northfield.

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.)

Alternative Options:

Staff is suggesting the consideration of another resolution related to the transit hub for State Funds. We welcome council feedback on that at the meeting in addition to alternative projects, if any, that they may suggest we consider.

Financial Impacts:

We can request 100% state funding but typically a local match is expected or desirable to receive higher consideration. Fifty percent (50%) matching is a common request from the State for local projects but not required. City staff is exploring updated requested dollars and matching funds that could be considered.

Tentative Timelines:

June 4, 2019 - City Council consider Resolution(s) of Support for Capital Budget Request.

By June 14, 2019 - Local governments must submit final capital budget requests including project overview with funding sources, project cost, etc.

July 15, 2019 - MMB forwards all local government and political subdivision requests to the Legislature (required by law).

January 15, 2020 - Governor Walz presents his capital budget recommendations to the Legislature.