

Minnesota Freight Advisory Committee (MFAC) Meeting June 24, 2011 – Ramada Minneapolis, MN

Meeting Summary

I. Update on 2011 Legislative Session Panel

Panel Moderator – Bill Gardner, Director, Office of Freight and Commercial Vehicles Operations, MnDOT
Representative Michael Beard, Minnesota State Legislature
Scott Peterson- Director, Government Relations, MnDOT
Lisa Bodine- Manager, Health and Transportation Policy, Minnesota Chamber of Commerce
Gary Botzek- Minnesota Transportation Alliance

Summary of Representative Michael Beard's comments:

Representative Beard provided an overview on the current discussions at the Legislature and how transportation may be affected. Rep. Beard noted that the private sector is concerned with current spending levels at the Legislature. Rep. Beard explained that transportation is about mobility, freedom, and prosperity and this gives citizens the ability to move freely. The House bill approved a general fund of 34 billion; of which 32 billion is from the State and the remaining 2 billion is from the Federal Government. Incoming revenues are continuing to fall which results in less money in the general fund. Rep. Beard and others in the Legislature plan to cut 60-80 million from transit to help balance the budget. Rep. Beard stressed that the Legislature has a strong interest to increase the investment in transportation.

Summary of Scott Peterson's comments:

Mr. Peterson explained that at the beginning of the Legislative term in January, a majority of the governor's party and Legislature were uninformed about transportation. In discussing transportation, the finance deadline was set first, followed by the policy bills. The policy bills quickly moved to committees for discussion. Mr. Peterson noted several pieces of legislation that were not funded this year, but are on the agenda for next year. These include the MnDOT passenger rail appropriation (23% reduction for Greater Minnesota transit), the weight exemption policy, the expansion of MnPass lanes and changes to the Bus Rapid Transit statute. Mr. Peterson did note that there were changes made to the statute that includes CDL exemptions, license recovery, and truck weight tables. In addition, a new bill was passed that requires an annual permit for individuals who move docks into storage.

Summary of Lisa Bodine's comments:

Ms. Bodine discussed her role in drafting the transportation bill with the Minnesota Transportation Alliance. Ms. Bodine explained that the best way to approach policy design is from the business perspective. This year, the focus of the transportation bill was on roads and bridges. A key area of the bill was the independent audit of data practices, which is supported by MnDOT. The bill was unfortunately not completed due to time constraints. Ms. Bodine noted that advancing policy is very important to the business community, and having the appropriate buy-in from the community helps.

Summary of Gary Botzek's comments:

Mr. Botzek provided an overview on his role with the Minnesota Transportation Alliance. He stressed the continued importance of partnerships across all levels of transportation. Mr. Botzek discussed the need for additional revenue through user fees and the gas tax. The gas tax is expected to increase by a

half a penny in July and again in the fall. Every penny increase translates to 30-40 million dollars in revenue a year. Mr. Botzek described the Minnesota Transportation Alliance Washington Fly-in. Sixty people participated. On September 30, the current Federal Transportation bill is set to expire. By July 4th, a new Federal Transportation bill will be proposed.

A Question & Answer Session followed panel presentations.

II. Regional Economic Development Initiatives

Panel Moderator- Bill Goins, Worldwide Account Manager, FedEx

Tim Penny- President, Southern Minnesota Initiative Foundation

Matt Shands- TED Program Coordinator, MnDOT, Office of Policy Analysis Research and Innovation

Jeremy LaCroix- TED Program Coordinator, DEED, Transportation Economic Development Program

Summary of Tim Penny's comments:

Mr. Penny provided a background on the Southern Minnesota Initiative Foundation and the economic future of rural Minnesota. The Southern Minnesota Initiative Foundation focuses on advancing economic development in 20 Minnesota counties and to support leadership development and community building among families, youth, and seniors. The Southern Minnesota Initiative Foundation provides grants, loans, technical expertise and partnerships to entrepreneurs, minority-owned businesses, and those in the biobusiness. The Foundation is also involved in early childhood education and career exploration with engaged elders and immigrants. Mr. Penny discussed the economic strengths in the southern region and how they are impacting people in the region.

Summary of Matt Shand's and Jeremy LaCroix's comments:

Mr. Shand and Mr. LaCroix presented the following discussion items related to Minnesota's Transportation Economic Development (TED) pilot program.

1. TED collaborates between MnDOT, DEED, and the Public Facilities Authority for highway improvement projects that support economic development.
2. Selected projects will assist in the development of new business, expanding existing business, or will improve the statewide transportation network.
3. TED program is an element of MnDOT's innovative finance initiative.
4. TED participants can include any government entity, a \$10 million maximum award, up to 70% of total infrastructure costs, and remaining funds may come from private and other sources.
5. In 2010, 11 projects were awarded a total of 39 million.

[PowerPoint Presentation](#)

A Question & Answer Session followed the presentation.