

CITY OF ROCHESTER



2020 LEGISLATIVE PRIORITIES



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WHY ROCHESTER, MN?

BACKGROUND

The city of Rochester is the third largest city in the State of Minnesota with a population of over 117,000 and anticipated to grow by 50% over the next 20 years. It stretches across 55 square miles. Rochester is home to major employers including Mayo Clinic and IBM. Rochester has been recognized as an All-American City, a Gold LEED certified City and is consistently recognized as one of America's most livable cities. It hosts over 3.3 million visitors each year.

Rochester is a unique place that enjoys a growing and diverse population, a high employment rate, and international connectivity unlike other Midwestern communities of a similar size. As home to the Mayo Clinic, Rochester competes with cities across the nation and around the world for the best and the brightest minds in health and technology.

City residents overwhelmingly believe Rochester offers them a high quality of life, providing arts and entertainment typically found only in larger cities along with an accessible parks and trails system that contributes to community identity and livability.

CITY OF FINANCIAL DISTINCTION

The City of Rochester has a AAA Rating

Rochester received a Certificate of Achievement for Excellence in Financial Reporting for almost 50 years, the longest in the state of Minnesota.

2018 COMMUNITY SURVEY RESULTS



96%
feel accepted,
valued, and
welcomed



96%
rate the
quality of life in
Rochester as
excellent or good



87%
believe that
Rochester is
headed in the
right direction



84%
consider the
general value of
City services as
excellent or good

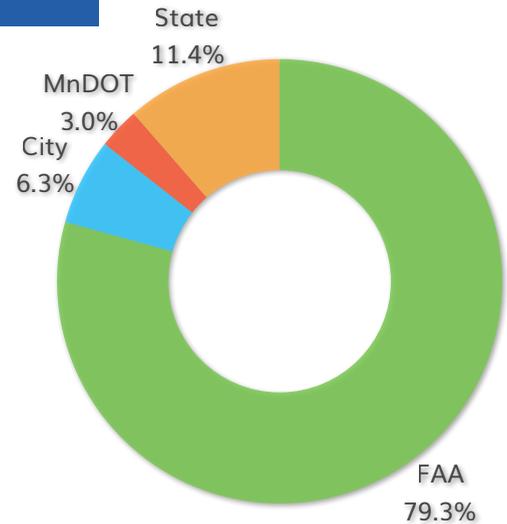


ROCHESTER INTERNATIONAL AIRPORT - RST RUNWAY SAFETY IMPROVEMENTS

Funding:

Funding Aviation Administration	\$62.8 million
State of Minnesota*	\$11.4 million
City of Rochester	<u>\$5.0 million</u>
Total Project Cost	\$79.2 million

*includes \$2.4 million from MnDOT Aeronautics



Urgent Need:

- Runway reconstruction is necessary
- Runway 2/20 has reached end of useful life
- Uninterrupted air access is required
- Improved operational reliability a necessity
- Repair of runway is no longer sufficient
- Leverage available Federal funds



Critical users at RST:

- Air ambulance life flight operations
- Air cargo carriers containing medical specimens and supplies
- Commercial air carriers and patient travelers
- Private aircraft serving world, corporate and religious leaders
- Diversion aircraft from MSP and statewide aviation system



flyrst.com



Phasing:

Phase 1: Reconstruct center section Runway 2/20

Phase 2: Reconstruct south section Runway 2/20 and Complete CAT II ILS on Runway 13/31

Phase 3: Extend Taxiway B and Runway 2/20 to south

Phase 4: Reconstruct north section Taxiway B

Phase 5: Reconstruct south section Taxiway B

Phase 6: Reconstruct intersection of Runway 2/20 and Runway 13/31



About RST:

- 2nd busiest airport in MN
- 43,000 aircraft operations annually
- Daily Boeing 757 FedEx operations
- 22 million lbs cargo transported annually
- 370,000 commercial passengers served annually
- Served by 3 major airlines: American, Delta, United
- Port of Entry for international aircraft and passengers
- Life-saving medical care 24/7 in a world-class healthcare community



CASCADE LAKE PARK IMPROVEMENTS

Funding Request

State of Minnesota: \$2.75 million

City of Rochester: \$2.75 million

Background

Cascade Lake Park is the primary focus for park improvements to serve the community outlined in Rochester's 2016 Park System Plan. Connected to the city's trail network, this regional park is already seeing an estimated 100,000 visitors in and around the park annually. This park has been pursued for a long time due to the importance of this type of park in the community. Thus far, the City has invested well over \$12 million dollars on park land preparation and on various improvements to the park such as landscaping, a park shelter and beach and trail development. In addition, \$2 million has been donated to the project. The current proposal entails the enhancement of these improvements by constructing an amphitheater, park pavilion, entrance circle, art/sculptures, and play areas.

The location downtown is such that providing this facility will enhance the lives of the 3,000,000 annual visitors to Rochester and residents of the region as well. The State of Minnesota has recognized this economic benefits and has designated the Cascade Lake Regional Park as a park of regional significance.



SILVER LAKE DAM MODIFICATIONS AND IMPROVEMENTS

Funding Request

State of Minnesota: \$5.3 million

City of Rochester: \$7.3 million

Background

Silver Lake was last dredged 25 years ago and is scheduled to undergo this extensive process again in 2020 or 2021 as part of routine flood control maintenance. In order to maintain the hydraulic profile of the channel and the effectiveness of the flood control system, 200,000 Cubic Yards of material will be removed and deposited at a reservoir site 8 miles west of Rochester. To leverage the attention focused on the area, the City has identified further improvements that could be done subsequent to the dredging project. Among these improvements would be the removal of the Silver Lake Dam. Built in 1937, the structure no longer serves its original purpose and has proven costly to maintain over the years. The proposed project would reduce the risk of dam failure and eliminate the spillway drowning hazard. Roughly 400 feet of lake would be modified into a channel of cascading pools to maintain the lake's depth while also maintaining major flood elevations and allowing Silver Lake to remain in place just upstream. The modifications would allow fish and aquatic animals to move freely about the waterway while opening it up for recreational uses like canoeing and kayaking.

In addition to the dam, the proposal incorporates pedestrian features like a bridge and pedestrian trail. The dam project would allow the embankments to be prepared for the installation of a pedestrian bridge (proposed options below) to serve as a wider and safer bike and pedestrian alternative to the narrow crossing at Broadway Avenue. Dam modifications would also make way for improvements to the North Side Pedestrian Trail that would address a current gap in the trail network (pictured below).

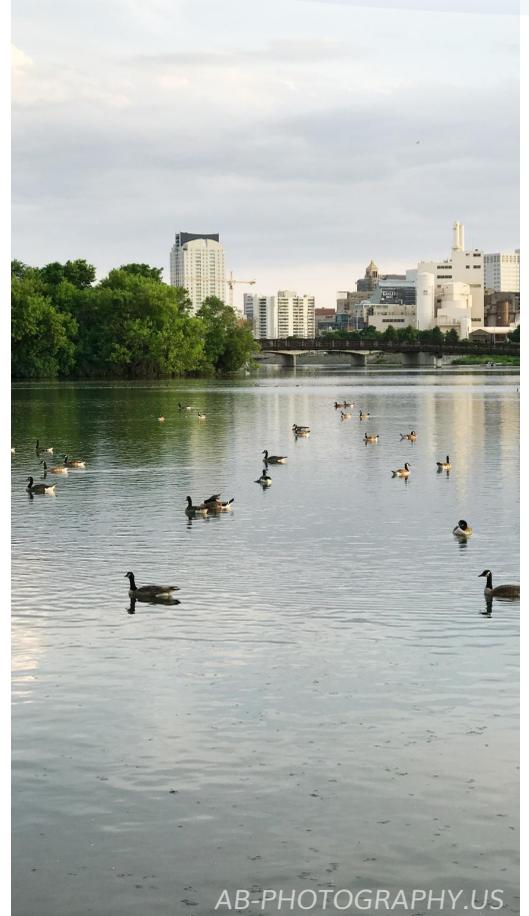


North side pedestrian trail with existing dam



North side pedestrian trail with modified dam





AB-PHOTOGRAPHY.US

SILVER LAKE DAM MODIFICATION CONCEPT

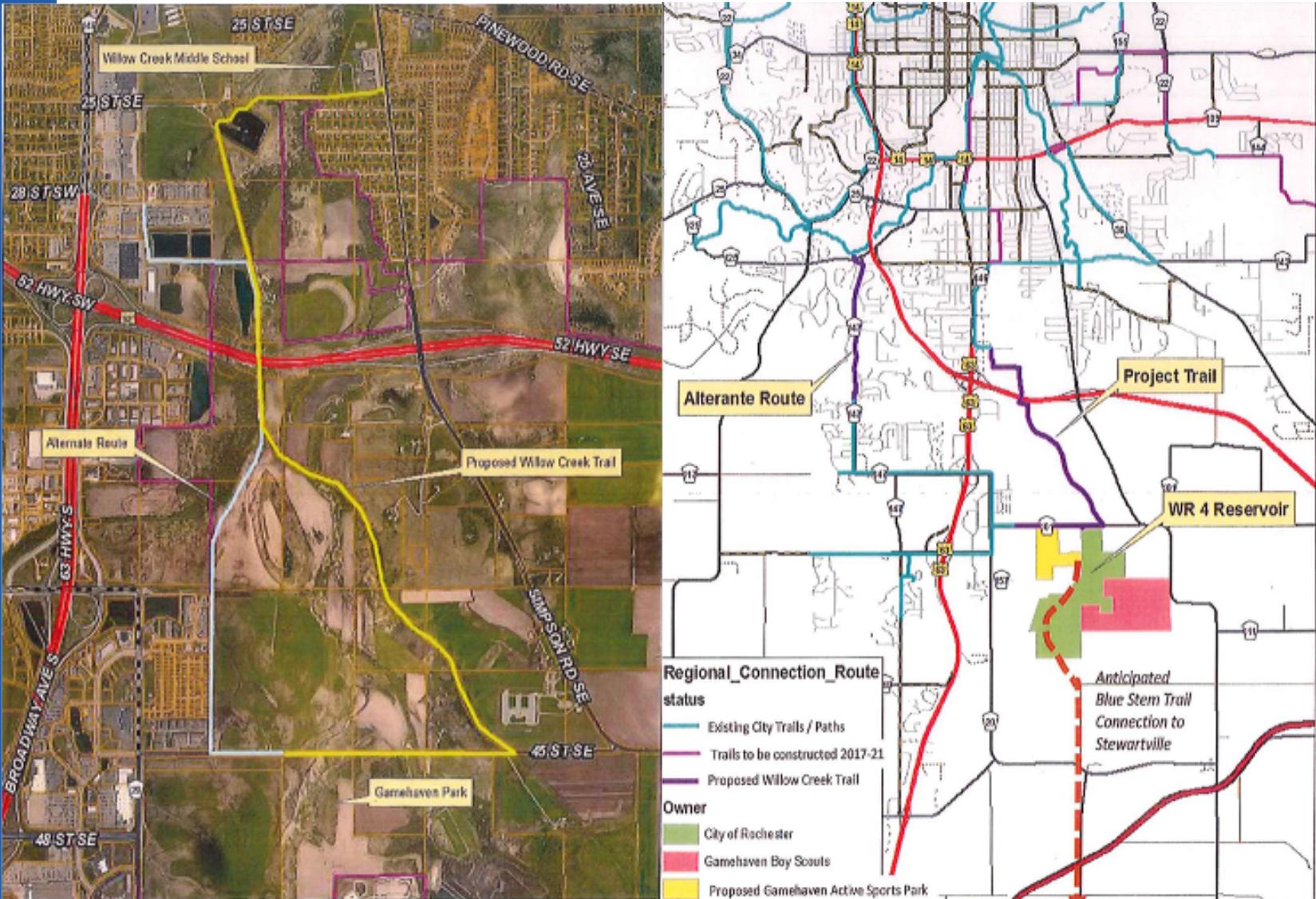
COMMON QUESTIONS & ANSWERS

<p>1. Q: Why modify the dam?</p> <p>2. Q: Will the lake remain in place?</p> <p>3. Q: How will it impact flooding?</p> <p>4. Q: What recreational features will be created?</p>	<p>A: The dam no longer serves a purpose. In addition to being a safety hazard, the dam also inhibits river navigability for humans and aquatic life. The dam also requires costly maintenance to keep it operational.</p> <p>A: The lake upstream of the control will remain at its current level.</p> <p>A: The modification will not impact flood levels except through the project area. Flood levels through the project area will be slightly lowered.</p> <p>A: In addition to potential trail improvements, the modification will allow for river navigation, kayaking, and improved fishing. Other potential improvement opportunities also exist.</p>
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WILLOW CREEK/GAMEHAVEN REGIONAL TRAIL CONNECTION PROJECT

Funding Request

State of Minnesota: \$1.5 million
 City of Rochester: \$1.5 million





Background

The City of Rochester has a well-developed network of river trails consisting of approximately 40 miles of paved multi-use trails along the rivers and creeks that bisect the city, providing most areas of the city with an interconnected network of off-road, multi-use pedestrian and bicycle paths. However, the southern quadrant of the City of Rochester, referred to as the Willow Creek area, is not currently connected to the River Trails network due to a barrier effect created by US Highway 52, which effectively isolates Willow Creek neighborhoods from other neighborhoods and the existing trail network. This same isolation impacts the state designated 460 acre Gamehaven Regional Park and the connection between the path and trail network in Willow Creek to the larger city network of trails.

The project would create a crossing under US 52 that would provide a connection between the path and trail network in Willow Creek to the larger city network of trails. Additionally, this trail connection would serve as a first leg to connect to the Bluestem Trail linking to Stewartville, MN. The proposed alignment of the Willow Creek trail would generally follow the historic alignment of the Winona and Western Railroad (long abandoned) between Rochester and Stewartville. However, there are several routes available that are subject to the availability of land rights. Depending on the final route, the project includes property/easement acquisition, ½ mile of trail rehabilitation, creek crossings, approximately 2.5 miles of trail construction, installation of trail amenities like wayfinding and rest areas, and a trailhead located at Gamehaven Regional Park. The project would provide potential benefits to the long term development of the State Trail System including the Bluestem Trail and would also help meet goals outlined in the Bicycle Master Plan and Comprehensive Plan.

PARKING FINE REVENUE SHARING

Issue

As part of the State government's efforts to raise revenues without resorting to tax increases, the State government enacted a \$3 parking ticket tax on 7/1/03, followed by the enactment of an additional \$1 parking ticket tax on 7/1/06. The amount charged for a Rochester parking ticket was \$9, with \$5 going to the City of Rochester and \$4 going to the State. In 2009, the State legislature passed an Omnibus Public Safety Appropriations Bill, which increased the state imposed parking ticket revenue from \$4 to \$12.

Problem

The City issued 39,695 parking tickets in 2017 and was required to pay \$476,340 to the state. As it currently stands, the City's ability to adjust the parking fee for the purpose of covering the cost of enforcement, as well as collection and enhancing the revenues, is hindered by this substantial surcharge.

Solution

The City of Rochester requests to eliminate the State surcharge on parking tickets.

Impact

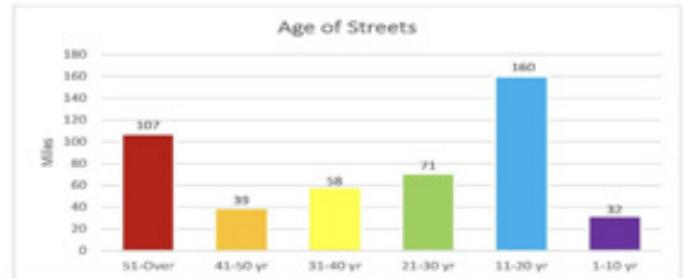
The main purpose of the City's parking ticket charge is to ensure there is adequate turnover in the parking meters to provide spaces for individuals who come into the downtown area for shopping, eating, or entertainment. The State's surcharge does not contribute operationally to the management and implementation of the program.



STREET IMPROVEMENT DISTRICT LEGISLATION

Issue

Similar to other cities in Minnesota, Rochester will face major financial constraints in the future due to the cost of maintaining and repairing the city's network of streets. Currently, there are over 100 miles of streets that are at least 51 years or older. This presents a looming financial challenge for the city of Rochester. There is currently \$9 million of annual funding for preserving, rehabilitating, and construction/reconstruction. However, Rochester is still facing an annual shortfall of \$23 million to adequately address current and future needs for the city.



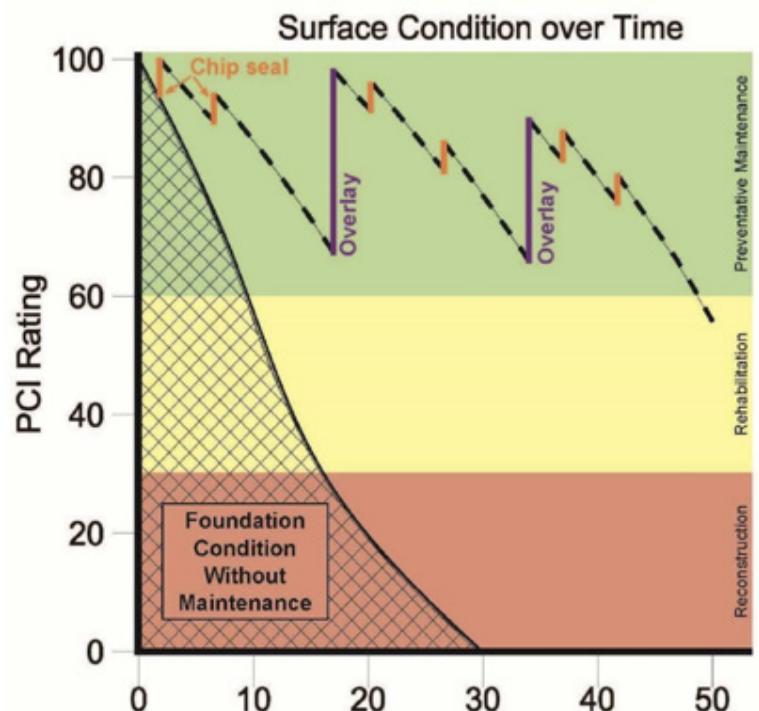
Problem

Utilizing traditional methods such as the tax levy would place a heavy burden on the citizens of Rochester. Including the \$23 million would result in a 40% increase in the tax levy. Growing to this \$23 million over time by adding an additional \$1 million every year would, in time, increase the city levy by 1.8% for residential properties and 1.75% for commercial. The City needs to diversify its revenue sources with an alternative method to defray the costs of street improvements.

Solution

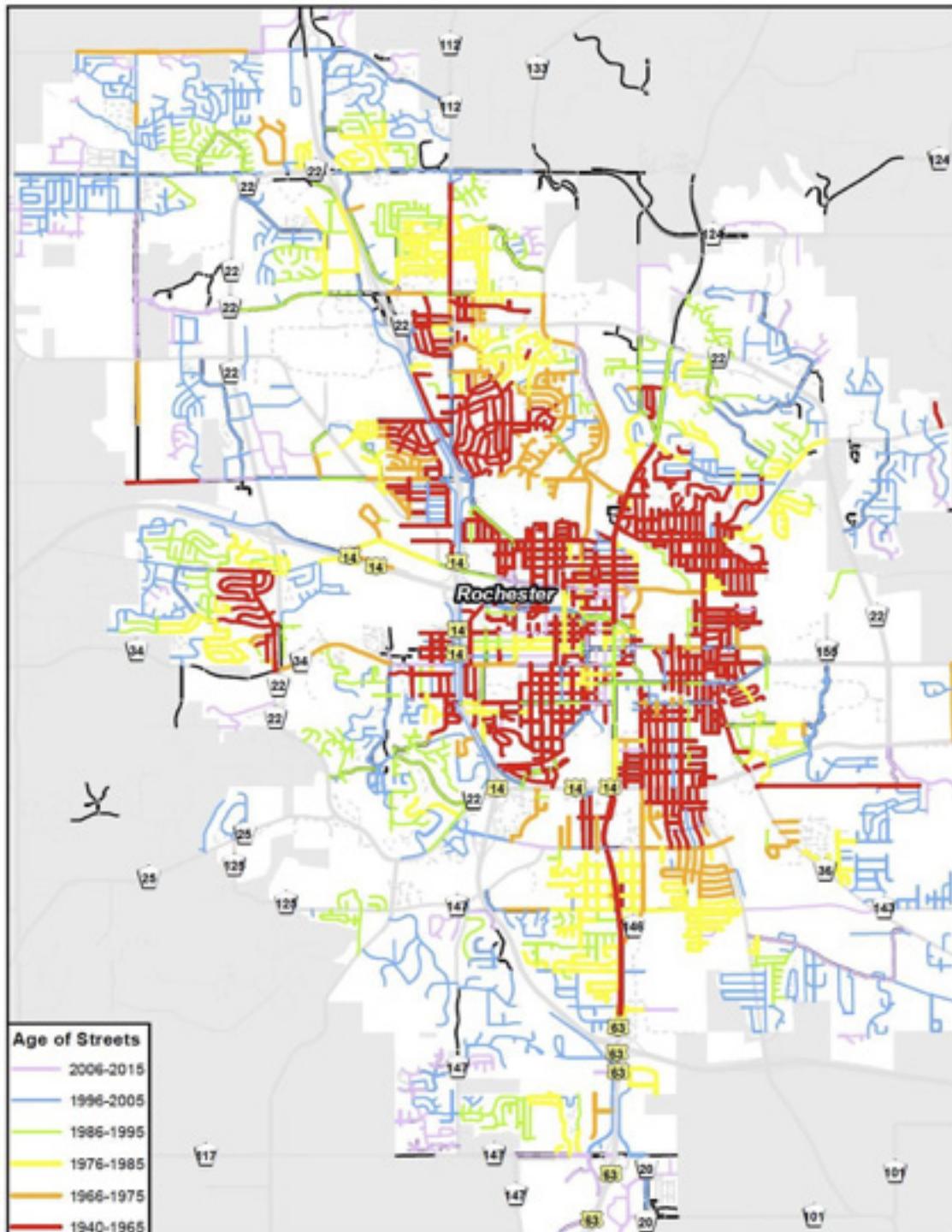
The City of Rochester requests a bill is enacted to create a street improvement district specifically for the City of Rochester, cities of the First Class, or all cities in Minnesota. In general, the goal of the legislation would be to:

- Create a fee that is collected on all parcels at a monthly rate and on a uniform basis.
- Place revenues in a separate account and only use funds for street maintenance projects, for reconstruction or to provide preventative maintenance to extend the road's life cycle.
- Allow the City to transition away from assessments that can inequitably impact a property owner based on the timing of property ownership. In addition, the greatest street reconstruction needs in residential areas are often going to be in areas that will have the greatest challenge in paying the assessment. For businesses, assessments represent a significant financial commitment while they are simultaneously navigating impacts from construction.



Impact

Enacting a street improvement district will allow the City to have a long term financial plan which addresses the growing infrastructure needs, lowers the financial investment needed over time and begins to address a significant unfunded future liability.





GOVERNOR'S SALARY CAP

Issue

Minnesota state law (Statute 43A.17) limits the amount of compensation statutory and home rule charter cities may pay employees. The limitation does not allow employee salaries to exceed 110 percent of the governor's salary.

Problem

This wage cap exists in Minnesota, and not in other states which border Rochester and pay considerably higher wages to their executive-level employees as does the school system (which is exempt from this statute) and other large employers. This salary cap has proven to have a negative impact on employee retention and recruitment.

Solution

The City of Rochester requests to remove the salary limitation so that Minnesota may pay their executive-level professionals market competitive wages.

Impact

The City of Rochester wishes to retain existing talent and wishes to offer more competitive salary packages than those provided to executives in bordering states within the same sized jurisdiction.

STATE BRIDGE BONDING FUNDING

Issue

Under Minnesota State Statute 174.50, the Local Bridge Replacement Program provides local agencies transportation funding for the reconstruction, rehabilitation or removal of bridges or structures in their local road system through general obligation state bond funds.

Problem

Bridge maintenance and replacement costs are heavily outpacing the bonding dollars that have been passed by the legislature. In addition, the funds available for the program vary with each legislative appropriation. In 2011, 2013, and 2016, the legislature did not provide any funding.

Rochester was recently awarded funding for a project that had been on the waiting list -- the 15th Avenue NW Bridge (#R0297) Replacement Project. A critical finding was recently discovered for the Elton Hills Drive Bridge (#55514), and two lanes of traffic were closed to better determine the corrective action. This bridge will likely require a costly rehabilitation, or full replacement project, and necessitates that the City apply for State Bridge Bonding (SBB) dollars. Due to the similar age of other bridges in the community, an increased need for bridge repairs and replacements is anticipated. In order to address the necessary work for these projects, there needs to be consistent and adequate funding.

Solution

The City of Rochester requests support for additional funding for the Local Bridge Replacement Program

Impact

Bridges connect workers to jobs, people to necessary services, and provide critical access between different cities and regions. Allowing bridges to continue in states of disrepair will result in complications for safety, mobility, and economic activity in the City of Rochester and the State of Minnesota. Support for an increase in funding for the Local Bridge Replacement Program will ensure that these necessary benefits are maintained.



POINT SOURCE IMPLEMENTATION GRANT FUNDING

Issue

The Point Source Implementation Grant (PSIG) program provides grants to local governments to help with the cost of water infrastructure projects necessary to meet waste load reduction requirements under Total Maximum Daily Load (TMDL) implementation plans, to reduce the discharge of phosphorus or meet other water quality-based effluent limits, or to meet a total nitrogen concentration or mass limit that requires a discharge of ten milligrams per liter or less. The PSIG program provides grants for 80% of eligible costs up to a maximum of \$7 million.

Problem

The 2017 Legislature appropriated \$33.737 million in state general obligation bonds and \$5.307 million in Clean Water Legacy Funds for FY 2018 PSIG grants. This amount was sufficient to fund all of the certified projects in FY 2017 but only some of the projects in FY 2018. Rochester will submit an application for PSIG in 2019. However, with the amount of current projects and the anticipated ranking of Rochester on the project list, it is unlikely that Rochester will receive a grant.

Solution

The City of Rochester requests support for additional funding of \$124 million for the PSIG program for 2019

Impact

The MPCA recently changed the regulation on phosphorous limits for surface water. Increasing Rochester's chance to receive PSIG funding will support construction and work on current wastewater and storm water treatment facilities to meet these standards and improvement the water quality in Rochester.

STORM WATER AND WASTEWATER TRADING FOR MS4 COMMUNITIES

Issue

Under the Clean Water Act, the MPCA set quality regulations for surface water and required efforts to be made by the state to reduce the impact of pollutant loads of contaminants on surface water. Despite best management practices and the significant investments in wastewater and storm water management systems, there are still surface waters which are in danger of not meeting federal water quality requirements.

Problem

Due to the MPCA's new, stringent standards for the reduction of phosphorous discharge, Rochester faces the challenge of meeting these requirements. The City wants to explore options which will help decrease phosphorous levels in Rochester.

Solution

The City of Rochester requests legislation is established to create guidelines for the application of storm water and wastewater trading credits. Critical components to be included within this legislation are:

- Trade ratios for storm water and wastewater that are variable based on performance of specific BMP's.
- Allows for credits generated by developers or owners to be purchased or rented to permit holders to offset pollutant loads required to meet their specific permit requirements.
- Allows for credits to be generated or provided by other property owners or developers who have storm water runoff mitigation and have exceeded the storm water treatment requirements or by implementing best management practice that would not be implemented under any other regulatory requirement.

Impact

The creation of this legislation would allow the City of Rochester to determine which method is more advantageous to meet the MPCA's requirements.



GRANT FUNDING FOR NEW PHOSPHORUS LIMIT

Issue

Because of the new State of Minnesota regulations for lake and river eutrophication standards, the City of Rochester will have a more stringent phosphorus limitation on wastewater treatment plant discharge, less than 1 mg/l. This will require different treatment technology than is currently at the Water Reclamation plant. The Point Source Implementation Grant (PSIG) is a program that provides local governments 80% grant funding up to \$7 million to help fund some of the costs to meet these new requirements.

Problem

To ensure that we are able to access these funds we need to make certain that the Public Funding Authority (PFA) bonding request and final legislative appropriation is enough money to support the requests coming from local government for this grant money.

Solution

The City of Rochester requests support of a PFA request for PSIG of at least \$75 million.

Impact

Without this grant, the City of Rochester would pay an additional \$7 million to upgrade the Water Reclamation to assure that the new lake and river regulations are met.



PARKLAND DEDICATION

Issue

Currently, new residential development results in only partial provision of public park spaces in the community. Current enabling legislation allows the municipality to require dedication only if the property is 'subdivided.' Minneapolis and St. Paul have received special legislation that allows their municipalities to require parkland dedication when virtually any development occurs. This authorization was handed down due to the amount of development/redevelopment of existing parcels in the Twin Cities that does not require subdivision of the property thereby limiting the possibility of parkland dedication.

Problem

Rochester is experiencing redevelopment/development challenges similar to those of Minneapolis and St Paul whereby we are anticipating 10,000 new residential units over the next 20 years along with multiple types of commercial & retail development in the downtown core. If legislation allowing a modification to the enabling legislation is not provided, the development of these properties will not be making contributions toward the public park spaces they will be demanding the city provide.

Solution

The City of Rochester requests one of two options for a solution. The first is a modification to the existing enabling legislation that allows parkland dedication to be provided for 'any' development rather than only for 'subdivided' property. This would allow every municipality to enact this requirement if they so choose.

The second approach is to enact special legislation, like Minneapolis and St. Paul did, to allow other cities of the first class like Rochester to enact parkland dedication requirements for any development without the requirement for 'subdivision' of property.

Impact

The purpose of this legislation is twofold. First, this is intended to equalize the terms of development across the entire spectrum of properties in the community. Secondly, it aims to provide adequate parkland improvements serving the downtown area.



OTHER AREAS OF SUPPORT

The City of Rochester supports:

- The legislative platforms adopted by the League of Minnesota Cities, to the extent they do not conflict with the City's Legislative Priorities, or related Council action.
- Legislative authority to advance Public Private Partnerships (P3).
- The evaluation of Minnesota Rules to allow flexibility for School Districts to design schools on smaller sites in urban areas.
- The ability for cities to recover legal fees and damages when frivolous litigation is brought forward.
- Incentives to encourage reinvestment in historic properties. An example is the Mills Act in California where local governments can create programs that limit property tax increases when qualified investments are made.
- Legislative authority that would allow Minnesota cities to opt-in to the International Green Construction Code which lays out comprehensive sustainability measures for entire construction projects.
- Cities' ability to adopt the State of Minnesota SB 2030 Energy Standard in order to curb the energy use and carbon emissions of local buildings (SB 2030 must be met by all projects receiving general obligation bond funding from the State of Minnesota, however it can also be voluntarily applied to any new or renovated building during the design phase).
- Affordable housing through support for:
 - » Increased state funding for housing infrastructure bonds and general obligation bonds, as well as sources for public housing rehabilitation, to help address the immediate and growing need for affordable housing.
 - » Policies that will prevent and reduce evictions and increased notices of, and protections for, those being displaced especially during the harsh and potentially dangerous winter weather months.
 - » Energy efficient new affordable housing, as it will benefit struggling residents by lowering monthly costs and the possibility that costs of poorly constructed buildings are shifted onto its residents, in addition to aiding our move to a zero carbon community.
 - » Programs and funding for the preservation of current housing stock, increased access to home ownership and tenant protections.
- Targeted funding for temporary homeless sheltering, warming houses and other support, including increased mental health and chemical dependency treatment programs to reduce future growth in homelessness and to protect our residents struggling with these issues.

Questions?

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