Mark Dayton's construction finance plan faces obstacles

By Doug Belden
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Minnesota should take advantage of low interest rates and a healthy budget surplus to approve $842 million in borrowing this session for public works projects, Gov. Mark Dayton said Tuesday.

“What better time could we possibly have to make these investments in our future?” the governor asked. “This is an opportunity that may not come around again.”

While not completely shutting the door on the idea, Republican House Speaker Kurt Daudt said he sees no reason for such a bill this year.

“We are not looking to do a bonding package this year,” Daudt said, “but we are open to listening if the governor thinks some of these projects are timely.”

Bonding bills require more bipartisan support than typical bills; they need a three-fifths majority to pass.

Senate Majority Leader Tom Bakk, DFL-Cook, said the Senate won't spend much time cobbledging together a bonding bill because the House is not expected to pass one.

The Senate might craft an infrastructure-only borrowing measure of perhaps a few hundred million dollars just in case, but “that's not the real work of this session,” Bakk said. “The budget's our priority for this session.”

Traditionally, odd-numbered years at the Capitol are thought of as budget years, and even-numbered years are for bonding.

But Dayton handed out information Tuesday showing the state has only gone one year since 1983 without any capital bonding, although the amounts tend to be smaller in odd-numbered years.

If the state doesn't take advantage of the chance to clear a backlog of needed projects when it has a $2 billion surplus, the governor said, “it doesn't bode well for the future.”

But there is value in having the relevant legislative committees vet capital projects between the 2015 and 2016 sessions instead of trying to rush approval before adjournment on May 18, said Rep. Paul Torkelson, R-Hanska, who chairs the capital investment committee in the House.

“What we haven't had a chance to do is really properly evaluate those projects, and that's what we've typically done in the interim in the past and anticipate doing again this coming interim,” Torkelson said.

Dayton said 43 percent of the projects he selected would benefit greater Minnesota, 38 percent are targeted in the metro area and 19 percent would have statewide impact.

About a quarter of the new money would flow to higher education, with $100 million each for the University of Minnesota and the MnSCU system, primarily for facility maintenance and preservation.

Another 20 percent would be aimed at economic development, including $50 million for housing needs statewide.

Fifteen percent is earmarked for parks and historic sites, including $20 million for repairs at the state Capitol and
$34 million for a new visitors center at Fort Snelling.

And Dayton is proposing $65 million for grade separations in four locations to improve rail safety.

Other proposed projects include:

-- $48 million for the Lewis and Clark regional water system near Worthington.

-- $16 million for Heart of the Zoo II at the Minnesota Zoo.

-- $4.2 million for fields at the National Sports Center in Blaine.

-- $14.5 million for Como Zoo in St. Paul.

-- $12 million for the Dorothy Day Connection Center project in St. Paul.

-- $7.1 million for the Kellogg-Third Street bridge in St. Paul.

St. Paul Mayor Chris Coleman issued a statement Tuesday supporting Dayton's plan.

"Rebuilding the Kellogg Avenue/3rd Street Bridge is crucial to the continued economic success of Lowertown and the East Side. Today's proposal ... would ensure we can complete the first phase of the project," Coleman said. "The investments at Como Zoo will help to ensure the seals and sea lion exhibit can remain a key source of engagement and education for the many young children and families who visit the zoo each year."

Tim Marx, president and CEO of Catholic Charities of St. Paul and Minneapolis, called the $12 million for Dorothy Day "a critical investment that will leverage significant private funding for the Connection Center -- a crucial resource that will provide access to jobs, housing, health care and permanent stability for people experiencing homelessness."

Rachel E. Stassen-Berger contributed to this report. Doug Belden can be reached at 651-228-5136. Follow him at twitter.com/dbeldenpipress.