Dear Commissioner Phillips:

On behalf of LOCUS Minnesota, we write today regarding the $47.5 million Business Development through Capital Project Grants Program to be administered by the Department of Employment and Economic Development. LOCUS MN is an organization of real estate developers committed to promoting compact, multi-modal and mixed-use development in Minnesota.

We believe moving forward with the transportation capacity provided by Southwest Light Rail Transit is critical to our state’s future economic success.

We understand the Metropolitan Council is applying for a grant for SW LRT from this Program. We strongly support their request.

The SW LRT project is ideally suited to meet the needs of the priorities of the state as outlined in the program. The corridor served by SW LRT already has 210,000 jobs and is projected to add another 60,000 jobs by 2030—if workers can get there. Even with planned highway expansion, roads in this area cannot accommodate that many new workers.

SW LRT excels on the criteria outlined in the legislation that created the Capital Project Grant Program, including:

1. Creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;
2. Improvement in the quality of existing jobs, based on increases in wages or improvements in the job duties, training, or education associated with those jobs;
3. Increase in the local tax base, based on demonstrated measurable outcomes;
4. Demonstration that investment of public dollars in the project will induce private investment;
5. The number of residents served by who will benefit from the project;
6. Demonstration of local support;
7. The capacity of the project to attract revenue from out of state; and
8. Objective cost benefit analysis and return on investment.

As real estate developers, we know there is market demand for rail transit-oriented development. Satisfying this demand will result in significant construction, job creation and enhancement of the local tax base. This market demand is not being satisfied in the Twin Cities while our competitors, such as Denver, Portland and Seattle, are in front of us in building the appropriate infrastructure to satisfy the demand. Not providing the compact, multi-modal, mixed-use development the market is demanding will put the Twin Cities in a difficult economic development position in a competitive, knowledge-based economy.
SW LRT is supported by every city along the line, the five largest local Chambers of Commerce, and a majority of Minnesotans. The state’s investment in SW LRT will be matched 9-to-1 by non-state sources, with $625 million coming from the federal government. SW LRT’s total projected payroll of $329 million would be significantly larger than the total state investment in the project.

SW LRT has passed rigorous federal and local examination. The communities along the line have spent 10 years and $6 million choosing the best way to connect new jobs to workers. SW LRT is ready to move forward.

The Federal Transit Administration is watching to see if SW LRT has the state support needed to move forward. State funding at this stage is necessary to keep the project on track. If we do not invest in providing more transportation options now, we’ll have more traffic, more congestion, and a worse quality of life.

We greatly appreciate Governor Dayton’s support for SW LRT. Our members stand ready to work with the Department of Employment and Economic Development to move this project forward and enhance our state’s ability to keep and grow jobs.

Sincerely,

Chris Leinberger
President, LOCUS: Responsible Real Estate Developers and Investors

Michael Lander
President, Lander Group
Chair, LOCUS Minnesota

Kit Richardson
Principal, Schafer Richardson

Colleen Carey
President, The Cornerstone Group

John Breitinger
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Mark Fabel
Lead Project Manager, McGough