

May 29, 2004

The Honorable James P. Metzen
President of the Senate
322 State Capitol
St. Paul, Minnesota 55155

Dear Senator Metzen:

This is to inform you that I have vetoed Chapter 265, Senate File 2386, a bill relating to economic development, providing a bidding exception for certain federally subsidized transit facilities.

This legislation would create an exception to the requirement that a Housing and Redevelopment Authority (HRA) use an open and competitive bidding process for construction of a transit facility if at least 60% of the construction costs are federally financed and other conditions are met. A competitive bidding process ensures that public funds are spent in the most reasonable and efficient manner. Under certain limited circumstances, exceptions to that process may be appropriate.

The project in Minneapolis that was the basis for this legislation seems to be one of those circumstances that may warrant an exception. Unfortunately, the legislation is overbroad and drafted poorly to achieve that purpose.

The legislation adds transit facilities to the list of exemptions if such facilities are vertically co-located with another qualifying development. Under the legislation, the transit facility would also need to be 60% financed by the federal government.

If current competitive bidding requirements unreasonably hamper a particular project, the Legislature has the authority to provide specialized relief and serve the public interest without creating a general exemption to competitive bidding. In the alternative, the Legislature could carefully craft an exemption for a narrow category of projects.

This legislation does neither. It attempts to advance a particular project by creating a general exemption. That exemption would eliminate the need for competitive bidding for any transit facility that is 60% federally funded and vertically co-located with a qualifying development.

Many transit facilities receive substantial federal funding. That modest requirement is not much of a threshold. More troubling is the lack of definition of the term "transit facility" for purposes of this legislation. We are hopeful that many transit facilities will be developed in coming years and that these facilities take many forms. Many might be

co-located with other developments. Exempting all such projects from competitive bidding is an overbroad effort.

Based on the information provided, the project in Minneapolis seems to have promise for a variety of reasons. While I have vetoed this legislation for the reasons outlined here, I encourage a future legislative effort to advance the project while addressing these concerns.

Sincerely,

Tim Pawlenty
Governor

Cc: Mary Kiffmeyer, Secretary of the State
Senator Dean E. Johnson, Senate Majority Leader
Senator Dick Day, Senate Minority Leader
Representative Steve Sviggum, Speaker of the House
Representative Matt Entenza, House Minority Leader
Senator Scott Dibble
Representative Margaret Anderson-Kelliher
Patrick Flahaven, Secretary of the Senate
Ed Burdick, Chief Clerk of the House