StarTribune

Nothing would help Minnesota more than a robust bonding bill

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April 13, 2020

Since early February, our state lawmakers have been contemplating the best package of capital investments to make in Minnesota. With an unexpected public health crisis and sudden economic downturn, it might be tempting to respond with caution and postpone much of that spending. We're urging our Legislature and governor to do the opposite.

What's called the "bonding bill" is one of the most effective tools for helping Minnesota's economy recover, making it more important than ever to lean in to smart infrastructure investment.

For the last several years there has been a gradual reduction in infrastructure investment at the local, state and federal levels. As a percentage of GDP, annual U.S. spending on infrastructure has fallen from over 4% in the 1960s to less than 1.5% in recent years. From our experience, we also can attest to the reality that our infrastructure is aging and in need of investment — and that when we do invest in it, our economy benefits.

We have seen firsthand here in Minnesota how strategic public spending allows us to thrive in a global economy through transportation projects like the Green Line, or entertainment facilities like the Duluth Entertainment Convention Center (DECC), or economic development projects like Rochester's Destination Medical Center. Billions of additional private dollars were spent to take advantage of those public assets.

It is clear we must continue to make these types of investments in our cities and state if we want to see a strong, stable economic recovery from COVID-19.

Most important is the timing. Former Treasury Secretary Lawrence Summers touts the ability of strategic infrastructure investment to create quality jobs and provide an economic stimulus by expanding the economy's capacity. Andrew Haughwant of the New York Federal Reserve describes infrastructure investment as an "automatic stabilizer" for our economy.

Economists of all stripes, from the Cato Institute to the Hamilton Project, agree that timing is critical. The Congressional Research Service report from January of 2018 concluded that the largest immediate impacts from infrastructure spending could come from deficit-financed spending during a recession. With more availability of labor and materials, infrastructure investments during contraction won't "crowd out" private sector investments, thereby maximizing the benefits.

As interest rates remain historically low, infrastructure projects and the jobs they bring will give the economy the jump-start it needs to re-establish itself. The resulting improvements will make production and delivery more efficient for business, providing a boost in productivity.

Projects like St. Paul’s Kellogg /3rd Street Bridge replacement and Ramsey County’s Riversedge development are among the smartest investments our leaders could make right now. Replacing crumbling infrastructure is an obligation that will come due sooner rather than later, and Riversedge will result in dramatic economic growth for our region for generations to come.

These are just two projects out of many across the state that will strengthen our state and hasten our recovery. Now is the time.

The governor encourages us that this is the time “where character gets defined.” We appreciate the especially heavy load of leadership carried by our state lawmakers during the COVID-19 pandemic. So far, we couldn’t be more impressed with the response from our state leaders. We urge them to act decisively and with confidence by approving significant infrastructure investments in this session’s bonding bill, for the benefit of our immediate recovery and long-term prosperity for all of Minnesota.