

Transportation

Projects Summary

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2020	2022	2024	2020	2022	2024
Rail Grade Separation Program	1	THB	110,000	0	0	110,000	110,000	110,000
Local Bridge Replacement Program	2	GO	100,000	100,000	100,000	112,000	112,000	112,000
Local Road Improvement Fund Grants	3	GO	100,000	100,000	100,000	100,000	100,000	100,000
Greater Minnesota Transit Capital Program	4	GO	15,000	15,000	15,000	10,000	10,000	10,000
High Priority Bridges	5	THB	800,000	0	0	0	0	0
State Airport Development Program	6	GO	53,100	30,000	30,000	19,200	0	0
		GF	4,000	0	0	0	0	0
Safety Improvements on Crude Oil Corridors	7	GO	7,000	7,000	7,000	0	0	0
Highway Railroad Grade Crossing-Warning Devices Replacement	8	GO	12,000	12,000	12,000	6,000	0	0
Safe Routes to School Infrastructure Program	9	GO	3,000	3,000	3,000	8,000	8,000	8,000
		GF	1,000	0	0	2,000	2,000	2,000
Facilities Capital Improvement Program	10	THB	58,800	40,000	40,000	58,800	40,000	40,000
Minnesota Rail Service Improvement Program	11	GO	8,000	8,000	8,000	5,000	5,000	5,000
Port Development Assistance Program	12	GO	15,000	15,000	15,000	10,000	10,000	10,000
Passenger Rail Program	13	GO	30,000	0	0	10,000	0	0
Statewide Freight Safety Investments	14	THB	11,000	0	0	0	0	0
Total Project Requests			1,327,900	330,000	330,000	451,000	397,000	397,000
General Fund Cash (GF) Total			5,000	0	0	2,000	2,000	2,000
Trunk Highway Bonds (THB) Total			979,800	40,000	40,000	168,800	150,000	150,000
General Obligation Bonds (GO) Total			343,100	290,000	290,000	280,200	245,000	245,000

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AT A GLANCE

- Over 143,000 centerline miles (single roadway, regardless of the number of lanes) including trunk highways and local roads
- 5th largest state highway system in the nation
- 4,860 bridges
- More than 95 million vehicle miles driven every day on the state highway system
- 50% of state highways and 35% of state bridges are more than 50 years old
- 503 construction projects planned in the 18-19 biennium
- \$21 billion in planned investments for state highways over the next 20 years (MnSHIP)
- 4,979 full time equivalent employees as of FY18
- Truck freight traffic projected to increase 30% by 2030

We work with our partners to support:

- 3 active Lake Superior and 4 Mississippi River system ports
- Transit services in all 80 non-metro counties
- Greater MN transit ridership needs are projected to increase 45% by 2025
- 135 publicly owned state-funded airports
- 4,420 track miles serving 21 railroad companies, Northstar commuter, and Amtrak passenger service

PURPOSE

Transportation today is about providing access to critical connections for all Minnesotans through managing an efficient, safe, reliable and accessible system of interconnected modes. Transportation supports a robust quality of life through various modes working together to link people to education, healthcare, jobs and recreation. Transportation supports a healthy economy, providing for the efficient shipping of raw and finished goods as well as access to jobs. Transportation also plays an important role in the stewardship of our environment by ensuring compliance with environmental laws and policies. The Minnesota Department of Transportation’s (MnDOT’s) work with connected and automated technology is also helping the agency gain experience and knowledge of new technologies to prepare for the future of transportation. Therefore, MnDOT has adopted the following:

Vision: Minnesota’s multimodal transportation system maximizes the health of people, the environment, and the economy.

Mission: To plan, build, operate, and maintain a safe, accessible, efficient, and reliable multimodal transportation system that connects people to destinations and markets throughout the state, regionally, and around the world.

Funding is provided in four programs with 12 budget activities:

Multimodal Systems	State Roads	Local Roads	Agency Management
Aeronautics	Program Planning & Delivery	County State Aid Roads	Agency Services
Transit	State Road Construction	Municipal State Aid Roads	Building Services
Freight and Rail Safety	Debt Service		
	Operations and Maintenance		
	Statewide Radio		
	Communications		

STRATEGIES

As stewards of the transportation system, we're committed to the following objectives:

1. **Open Decision Making:** Make transportation system decisions through processes that are inclusive, engaging, and supported by data and analysis. Provide for and support coordination, collaboration, and innovation. Ensure efficient and effective use of resources.
2. **Transportation Safety:** Safeguard transportation users as well as the communities the systems travel through. Apply proven strategies to reduce fatalities and serious injuries for all modes. Foster a culture of transportation safety in Minnesota (<http://www.minnesotatzd.org/>).
3. **Critical Connections:** Maintain and improve multimodal transportation connections essential for Minnesotans' prosperity and quality of life. Strategically consider new connections that help meet performance targets and maximize social, economic and environmental benefits.
4. **System Stewardship:** Strategically build, manage, maintain, and operate all transportation assets. Rely on system data and analysis, performance measures and targets, agency and partners' needs, and public expectations to inform decisions. Use technology and innovation to get the most out of investments and maintain system performance. Increase the resiliency of the transportation system and adapt to changing needs.
5. **Healthy Communities:** Make fiscally-responsible decisions that respect and complement the natural, cultural, social, and economic context. Integrate land uses and transportation systems to leverage public and private investments.

MnDOT seeks to advance three goal areas identified in the Strategic Operating Plan (2018-2022): operational excellence, customer trust and workforce excellence. Over the next two years, we intend to focus on the following four risk-based priorities outlined in the Strategic Operating Plan:

- Be nimble and responsive
- Strengthen relationships
- Ensure the safety and security of MnDOT's employees and assets
- Plan MnDOT's future workforce (recruitment, engagement, retention)

The Minnesota Department of Transportation requires that the principles of "Complete Streets" be considered at all phases of planning and project development in the establishment, development, operation, and maintenance of a comprehensive, integrated, and connected multimodal transportation system (<http://www.dot.state.mn.us/policy/operations/op004.html>).

The Department of Transportation's legal authority comes from:

Minnesota Constitution, Article XIV, Public Highway System (<https://www.revisor.mn.gov/constitution>)

Powers of Road Authorities, M.S. 160 (<https://www.revisor.mn.gov/statutes/?id=160>)

Trunk Highways, M.S. 161 (<https://www.revisor.mn.gov/statutes/?id=161>)

Administration of State Aid Road Systems, M.S. 162 (<https://www.revisor.mn.gov/statutes/?id=162>)

Responsibilities Related to Bridges, M.S. 165 (<https://www.revisor.mn.gov/statutes/?id=165>)

Trunk Highway Bonds, M.S. 167 (<https://www.revisor.mn.gov/statutes/?id=167>)

Traffic Regulation, M.S. 169 (<https://www.revisor.mn.gov/statutes/?id=169>)

Signs and Billboards Along Highways, M.S. 173 (<https://www.revisor.mn.gov/statutes/?id=173>)

Department of Transportation, M.S. 174 (<https://www.revisor.mn.gov/statutes/?id=174>)

Enforcement of Prevailing Wage, M.S. 177.44 (<https://www.revisor.mn.gov/statutes/?id=177.44>)

Rail Transportation, M.S. 218 (<https://www.revisor.mn.gov/statutes/?id=218>)

Railroad Safety, M.S. 219 (<https://www.revisor.mn.gov/statutes/?id=219>)

Regulation of Motor Carriers, M.S. 221 (<https://www.revisor.mn.gov/statutes/?id=221>)

Rail Service Improvement and Rail Bank, M.S. 222 (<https://www.revisor.mn.gov/statutes/?id=222>)

Aeronautics, M.S. 360 (<https://www.revisor.mn.gov/statutes/?id=360>)

AT A GLANCE

As stewards of the transportation system, we adhere to the following objectives:

- **Open Decision Making:** Make transportation system decisions through processes that are inclusive, engaging, and supported by data and analysis. Provide for and support coordination, collaboration, and innovation. Ensure efficient and effective use of resources.
- **Transportation Safety:** Safeguard transportation users as well as the communities the systems travel through. Apply proven strategies to reduce fatalities and serious injuries for all modes. Foster a culture of transportation safety in Minnesota (<http://www.minnesotatzd.org/>).
- **Critical Connections:** Maintain and improve multimodal transportation connections essential for Minnesotans' prosperity and quality of life. Strategically consider new connections that help meet performance targets and maximize social, economic, and environmental benefits.
- **System Stewardship:** Strategically build, manage, maintain, and operate all transportation assets. Rely on system data and analysis, performance measures and targets, agency and partners' needs, and public expectations to inform decisions. Use technology and innovation to get the most out of investments and maintain system performance. Increase the resiliency of the transportation system and adapt to changing needs.
- **Healthy Communities:** Make fiscally-responsible decisions that respect and complement the natural, cultural, social, and economic context. Integrate land uses and transportation systems to leverage public and private investments.

Factors Impacting Facilities or Capital Programs

MnDOT manages several capital programs and facilities that widely impact traveler safety, critical connections, system security, and the health and community prosperity across the state. Impacting factors are described briefly by MnDOT capital requests:

Rail Grade Separation Program: It is of the most importance to invest in projects improving the overall safety of grade crossing throughout the state. Separating vehicle travelers from high railroad traffic greatly enhances safety, improves traffic flow, increases mobility, and improves emergency response.

Local Bridge Replacement Program: There is a need to keep up with the replacement of deficient bridges on local road systems that cannot be funded locally and that do not have sufficient funding.

Local Road Improvement Fund Program: There is an existing demand to improve the safety and mobility of rural roads, routes of regional significance, and the local share of trunk highway projects.

Greater Minnesota Transit Capital Program: It is a priority to preserve public transit facilities to improve and expand public transit services in Greater Minnesota that are safe, efficient, and responsive to customer needs.

High Priority Bridges: Minnesota faces a wave of aging bridges that are in need of maintenance and reconstruction. Without this serious investment, MnDOT is unable to address numerous bridges deteriorating into poor condition across the state.

State Airport Improvement Program: It is crucial to ensure continued safety, reliability, and access to the state's publicly owned airports throughout the state. Funding would also leverage federal and local funds for projects.

Safety Improvements on Crude Oil Corridors: Risks are assessed and safety improvement are developed to address potential safety risks due to the large volumes of hazardous material transported by railroads. Improvements focus on those most affected, such as nearby residents, businesses, schools, and emergency responders in the vicinity of the rail crossing.

Highway/Railroad Grade Crossings: There is the need to repair or replace a significant portion of aging grade crossing warning devices and ensure safe intersection for drivers throughout the state.

Safe Routes to School Program: Throughout the state there is the desire to address Americans with Disabilities Act (ADA) requirements, safety concerns with increased traffic, and heightened interest in healthy living for resident.

Facilities Capital Program: MnDOT facilities are aging and need to be renovated or expanded, and in some instance replaced, to provide staff with facilities designed for modern equipment and technology that continues to ensure a safe and secure environment for all.

Minnesota Rail Service Improvement Program: Aging infrastructure, increased traffic, and load sizes are stressing short lines and regional rail road systems. Capital funding is often the only resource for improvements.

Port Development Assistance Program: The infrastructure is aging and there is an increased demand to move freight. Funding would improve access to waterways that benefits Minnesota industries.

Passenger Rail Program: Provide non-federal matching funds for implementation of passenger rail service along several corridors and expand transportation opportunities to communities.

Statewide Freight Safety Investments: There is the need to work with commercial transportation providers to improve the safety of their operations, including weight and vehicle inspection services and parking at key locations for truck drivers.

Self-Assessment of Agency Facilities and Assets

The program requests are assessed based on the following key categories: traveler safety, critical connections, system stewardship, and the health and community prosperity across the state. While each of the capital programs and projects will apply to multiple categories, below highlights how investing in these requests advances each of these priorities.

Traveler Safety is of the utmost importance to MnDOT. In order to attain this objective, MnDOT requests the following:

Rail Grade Separations Program: The increased rail traffic greatly expands the probability of major accidents. In addition, high traffic and trains sitting on tracks cut off parts of communities from emergency vehicles.

Safety Improvements on Crude Oil Corridors: Crude oil is a significant rail commodity transported through Minnesota and is a significant safety risk as rail traffic increases. Shipments have grown from virtually no crude oil trains in 2005 to several train in one day traveling through the state.

Highway/Railroad Grade Crossing-Warning Device Replacement: Approximately 1,500 warning devices exist and rapid advancements in technology have made older devices difficult to repair. Devices seen as unreliable contribute to accidents as travelers ignore the warning signals.

Safe Routes to School Program: Improvements to sidewalks, pedestrian crossings, and traffic diversions are needed to provide safe access for children to travel to and from school in their communities.

Statewide Freight Safety Investments: With Freight traffic expected to increase 30 percent by 2030, the state must make crucial investments in facilities for enforcement efforts and safe places for truck drivers to park, ultimately ensuring the regional freight corridors are safer.

Critical connections are a key factor in enhancing commerce, tourism, and industry. MnDOT considers projects that maintain or improve these connections to be a high priority and the following requests support this objective.

Greater Minnesota Transit Capital Program: Facilities for transit services increase transit access for persons and businesses to ensure economic well-being and quality of life. Investing in facilities maximize the useful life and availability of buses in communities throughout Greater Minnesota.

State Airport Improvement Program: State airports are a key component to the multimodal transportation system. Program funding for projects and infrastructure improvements maintains and preserves assets at publicly owned state airport.

Minnesota Rail Service Improvement Program: Funding addresses the aging infrastructure, increased traffic, and load sizes that are stressing these systems. Local shippers depend on capital improvements to strengthen routes to and from markets.

Port Development Assistance: The four public ports in the state are a critical link in shipping routes. Modernization and improvements maintain these links and ensure they remain functional and competitive.

Passenger Rail Program: Investment in passenger rail provides connectivity options for travelers.

System Stewardship is extremely important for MnDOT. Assets are managed through timely preventative maintenance and rehabilitation, as well as replacement. Many of these projects are more costly than the local or state government budget can bear.

Local Bridge Replacement Program: Bridges are one of the primary assets within the state infrastructure system and also one of the costliest to rehabilitate or replace. There are approximately 9,565 deficient bridges on the local road system. Capital funding assistance is often the only way the projects will move forward.

Local Road Improvement Program: Safety is an issue on local roads as daily traffic grows. Investing in these assets keep them safe and navigable for travelers, benefiting the communities and local businesses they connect.

High Priority Bridges: 40 percent of Minnesota bridges are more than 40 years old and the state must lower the amount of bridges in poor condition to meet bridge condition targets. These bridges impact critical connections and have a direct impact on the state's commerce and the traveling public.

Facilities Capital Program: MnDOT's facilities house the equipment needed to maintain the road and bridge system assets and is a priority to meet changing demands.

Agency Process for Determining Capital Requests

The process MnDOT uses to determine capital requests includes a collaborative effort across both internal and external stakeholders based on the scope of the request. MnDOT offices and districts identify capital needs in an initial request process. All requests are evaluated and prioritized based on the agency objectives. When funded, each program has criteria that prioritize projects. As stewards of the transportation system, every effort is made to choose the projects that not only maximize funding but also enhances the long-term condition of the system.

Major Capital Projects Authorized in 2018 & 2019

In 2018 the Legislature authorized funding for several capital programs and facilities MnDOT manages, including:

Local Bridge Replacement Program

- \$5 million in General Obligation Bonds

Local Road Improvement Program

- \$78.6 million in General Obligation Bonds

Minnesota Rail Service Improvement Program

- \$1.55 million in MRSI Funds

Safe Routes to School Program

- \$1 million in General Obligation Bonds

Port Assistance Development Program

- \$5 million in General Obligation Bonds

Stone Arch Bridge

- \$1 million in General Obligation Bonds

Trunk Highway Corridors of Commerce Program

- \$400 million in General Obligation Bonds

City of Rochester Bus Garage

- \$2.5 million in General Obligation Bonds

In addition, in 2018 the Legislature authorized funding for grants to several political subdivisions for transportation related projects, including:

- 11 projects funded with General Obligation Bonds, totaling \$32.49 million
- 1 project funded with General Funds, totaling \$300,000
- 3 projects funded with Trunk Highway Bonds, totaling \$16.19 million

Rail Grade Separation Program

AT A GLANCE

2020 Request Amount:	\$110,000
Priority Ranking:	1
Project Summary:	\$110 million in state funds to construct grade separations at priority crossings that will reduce potential collisions by improving overall safety at each crossing.

Project Description

This capital request will provide funding to construct rail grade crossings, including bridges and underpasses at rail lines. Each project is identified in the 2014 Crude by Rail Grade Crossing Study as a high priority for a grade separation. Investments will separate the vehicle traffic from railroad tracks at these locations, improving public safety and traffic flow. These locations have a large number of vehicle crossings per day and are located in dense population centers. Crossings included on this list serve a mix of high speed freight, commuter, and passenger rail traffic. For instance, at the Trunk Highway 47/Ferry Street crossing in Anoka, an average of 19,400 vehicles and 46-85 trains cross this intersection per day, along with a high volume of passenger rail users.

These projects will also benefit communities through the development of a safer, more connected, and inviting transportation system. The proposed projects provide an integrated and complete approach to improving long standing safety, mobility, and economic needs. Another priority project, the Trunk Highway 10/Trunk Highway 75 crossing in Downtown Moorhead, seeks to improve safety on the crossing streets, traffic capacity, and reduce traffic delays. This will result in improved movement of freight, emergency response times, and economic growth. This project is also part of the effort to improve system connectivity and reliability on Trunk Highway 10 and Trunk Highway 75, both principal arterials and part of the National Highway System.

Project Rationale

The significant levels of vehicular and train volume at these crossings create significant community impacts. Challenges include traffic gridlock, vehicular and pedestrian safety concerns, and emergency services concerns. The mix of vehicles at each crossing are unique, including heavy commuter use, buses from nearby schools, seasonal and recreational traffic, commercial traffic, and pedestrian/bicycle use.

A significant risk factor that is also associated with a crude by rail route is the potential for hazardous material release or flammable explosions if a tank car derailed as a result of a crash at the crossing. Two recent multi-rail car derailments occurring in 2019 in Milbank, SD and Caspiana, LA, illustrate the risk of derailment by vehicle collisions at grade crossings and potential safety risks involved with the significant traffic increase and large volumes of hazardous material shipped by rail.

Overall rail traffic is projected to grow by 25-40 percent by the year 2030. While crude oil traffic may

lessen somewhat in the short term due to falling oil prices, and may be affected somewhat by increased pipeline capacity.

Each grade crossing presents the potential for train-vehicle collisions. For collisions involving trains carrying volatile crude oil, there is an increased risk of oil release and ignition of a significant fire, affecting persons and property up to one-half mile away. The intent of this investment is to reduce or eliminate grade crossing accidents, fatalities, and injuries.

Project Timeline

Project timeline to be determined. Construction for priority crossings could begin in 2022-2024.

Other Considerations

Traveler Safety is of the utmost importance to MnDOT. In order to advance this priority, MnDOT requests funding to greatly enhance safety at priority crossings and prevent major accidents. These projects have received a strong positive response from the local community and project stakeholders during public outreach efforts. The communities recognize and desire the safety and mobility enhancements the projects provide.

Impact on Agency Operating Budgets

None

Description of Previous Appropriations

The Minnesota Legislature has appropriated the following for the grade crossing separations:

- 2014: \$2 million General Fund
- 2015: \$5 million General Fund
- 2017: \$71.124 million GO Bonds
 - City of Moorhead – 21st St. S., \$42.3 million
 - Anoka County – Hanson Blvd., \$14.1 million
 - City of Red Wing – Sturgeon Lake Rd., \$14.8 million

- 2018: \$9.2 million GO bonds
 - Anoka County – \$2 million
 - City of Moorhead – \$6 million
 - Cities of Loretto/Medina/Wayzata – \$1.2 million

Project Contact Person

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Governor's Recommendation

The Governor recommends \$110 million in trunk highway bonds for this request. Also included are budget estimates of \$110 million for each planning period of 2022 and 2024.

Transportation

Project Detail

(\$ in thousands)

Rail Grade Separation Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 80,324	\$ 0	\$ 0	\$ 0
General Fund Cash	\$ 7,000	\$ 0	\$ 0	\$ 0
Trunk Highway Bonds	\$ 0	\$ 110,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 87,324	\$ 110,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Pre-design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 18,700	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 87,324	\$ 91,300	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 87,324	\$ 110,000	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 0	
User Financing	\$ 0	

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Pre-design Review (M.S. 16B.335 subd. 3):	
Does this request include funding for pre-design?	N/A
Has the pre-design been submitted to the Department of Administration?	N/A
Has the pre-design been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	

Local Bridge Replacement Program

AT A GLANCE

2020 Request Amount:	\$100,000
Priority Ranking:	2
Project Summary:	\$100 million in state funds for the rehabilitation or replacement of local bridges across the state.

Project Description

This capital request will provide funding to replace or rehabilitate deficient bridges owned by local governments throughout the state. The 2018 Bridge Annual Report identifies 1,080 deficient bridges on the local system. The average construction cost to replace a bridge is \$430,000. Counties and Cities have passed city council or county board resolutions prioritizing 950 deficient bridges for replacement over the next five years with an estimated total replacement cost of \$573 million. In 2018, local agencies replaced or rehabilitated 192 bridges statewide, totaling approximately \$73 million in construction costs. These bridges were funded from the following sources: federal aid (\$4.9 million), state aid (\$24.7 million), state transportation bonds (\$19.4 million), township (\$19.4 million), and local (\$4.7 million) funds.

Project Rationale

Preserving the structural integrity of Minnesota’s bridges is a priority for MnDOT, counties, cities, and townships. Bridges are a critical link in the state’s transportation system and benefit the state’s economy by providing connections for people and markets throughout the state, regionally, and around the world. State financial assistance to local units of government is necessary because of the significant number of bridges and the associated cost for replacement of this important highway asset. Rehabilitation and replacement of bridges is too much for local agency transportation budgets to bear with local funds alone.

State bridge replacement funds are used in two ways: 1) to leverage or supplement other types of bridge replacement funding, including federal-aid, state-aid, and town bridge funds and 2) for engineering and construction of local city bridges with a population less than 5,000 and county and city bridges that have no other funding source. The majority of these bridges require local governments to assume costs for design and construction engineering, right of way, bridge removal, and items not directly attributable to the bridge, such as approach grading and roadway surfacing costs.

A small percentage of local bridges compete for federal aid through the Area Transportation Partnership (ATP) process. These federal projects require matching local funds and bridge bond funds are considered a first priority for the local match on federal bridge projects in the State Transportation Improvement Plan (STIP). The current STIP has 11 local federal off-system bridge projects of regional significance identified for federal funding in the FY2020-21 biennium, with \$10.6 million in federal funds requiring \$14.6 million in additional local match funding.

Two important major bridges on the priority bridge replacement list are Bridge 62080 (Kellogg Ave. over I-94) in St. Paul and the Historic Duluth Lift Bridge, Bridge L6116. Both are significant to the transportation network. Estimated replacement cost for the St. Paul Kellogg Avenue Bridge is approximately \$50 million and the rehabilitation cost of the Historic Duluth Lift Bridge is approximately \$12 million.

Project Timeline

The bridge program has projects designed, approved, and waiting for funding. Typically the time line for awarding bridge projects is winter/spring in order to have a full construction season to build the bridges. Counties and cities anticipate funding in the bridge program and have projects in various stages of design ready to go. The program has a history of being able to spend the funds within the biennium the funding is approved. Currently, plans are approved or in various stages of design anticipating the funding.

Other Considerations

MnDOT manages several capital programs that widely impact traveler safety, critical connections, and asset management across the state. The Local Bridge Replacement Program keeps up with the replacement of deficient bridges on local road systems that cannot be funded locally and that do not have sufficient funding through the state capital program. Critical freight, commerce, agriculture, or regular vehicular connections often include bridges as part of that transportation connection. Replacement of deficient bridges strengthens the connections alleviating detours and creating continuity.

Impact on Agency Operating Budgets

Administration of this program through MnDOT State Aid for Local Transportation Division will be completed using the existing organization and budget.

Description of Previous Appropriations

2014: \$12.3 million GO Bond
2014: \$20.7 million General Fund
2015: \$7.41 million GO Bond

2017: \$49.212 million GO Bond
2018: \$5 million GO Bond

Project Contact Person

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Governor's Recommendation

The Governor recommends \$112 million in general obligation bonds for this request. Also included are budget estimates of \$112 million for 2022 and 2024.

Transportation

Project Detail

(\$ in thousands)

Local Bridge Replacement Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 73,922	\$ 100,000	\$ 100,000	\$ 100,000
General Fund Cash	\$ 20,700	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 94,622	\$ 100,000	\$ 100,000	\$ 100,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 94,622	\$ 100,000	\$ 100,000	\$ 100,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 94,622	\$ 100,000	\$ 100,000	\$ 100,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 100,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Local Road Improvement Fund Grants

AT A GLANCE

2020 Request Amount:	\$100,000
Priority Ranking:	3
Project Summary:	\$100 million in state funds for rural road safety projects, routes of regional significance projects, and qualifying local road improvement costs associated with a trunk highway improvement project.

Project Description

This capital request is for the Local Road Improvement Program. This will provide funding assistance to local agencies for construction, reconstruction, or reconditioning projects. This includes:

- Assistance for counties with rural road safety projects to reduce traffic crashes resulting in deaths, injuries, and property damage.
- Assistance for cities, counties, or townships with local road projects with statewide or regional significance and reduce traffic crashes, deaths, injuries, and property damage. Projects may support economic development, provide capacity or congestion relief, provide connections to interregional corridors or other major highways or eliminate hazards.
- Assistance for local agencies to pay for qualifying local road improvement costs associated with trunk highway improvement projects.

Project Rationale

Local roads provide critical connections to the state’s interregional corridors and other trunk highways from towns, shipping points, industries, farms, recreational areas, and other markets. A well-developed local system is vital to any solution for reducing congestion on trunk highways.

State assistance is needed to supplement local efforts and the Highway User Tax Distribution Fund in financing capital improvements to preserve and develop a balanced transportation system throughout the state. In 2002, the legislature created the Local Road Improvement Program (Minn. Stat. 174.52).

Project Timeline

The Local Road Improvement Program is managed by open solicitation for projects after an appropriation has been signed in to law. The exception are projects selected by the legislature and identified in the law. Local agencies apply for the funding through the solicitation administered by MnDOT. The process includes project selection, developing plans for state aid approval, and awarding a construction contract, resulting in the local road improvement. This process takes approximately two to three years to complete depending on the size and complexity of the improvement.

Other Considerations

MnDOT manages several capital programs that widely impact traveler safety, critical connections, and asset management across the state. There is an existing demand to improve the safety and mobility for rural roads, routes of regional significance projects and qualifying local road improvements

associated with trunk highway improvement projects.

Impact on Agency Operating Budgets

Administration of this program is funded with existing budgets within MnDOT's State Aid for Local Transportation Division.

Description of Previous Appropriations

2014: \$30 million General Fund

2014: \$24.4 million GO Bond

2015: \$8.9 million GO Bond

2017: \$115.932 million GO Bond

- \$90.63 million for identified projects
- \$25.3 million for Local Road Improvement Program only

2018: \$78.6 million GO Bond

- \$43.6 million for identified projects
- \$35 million for Local Road Improvement Program only

Project Contact Person

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Governor's Recommendation

The Governor recommends \$100 million in general obligation bonds for this request. Also included are budget estimates of \$100 million for 2022 and 2024.

Transportation

Project Detail

(\$ in thousands)

Local Road Improvement Fund Grants

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 227,832	\$ 100,000	\$ 100,000	\$ 100,000
General Fund Cash	\$ 30,000	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 257,832	\$ 100,000	\$ 100,000	\$ 100,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 257,832	\$ 100,000	\$ 100,000	\$ 100,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 257,832	\$ 100,000	\$ 100,000	\$ 100,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 100,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Greater Minnesota Transit Capital Program

AT A GLANCE

2020 Request Amount: \$15,000

Priority Ranking: 4

Project Summary: \$15 million in state funds to support public transit service throughout Greater Minnesota. Funding will be used to preserve current public transit facilities and improve and expand service, including conducting predesign and design activities, constructing, and equipping transit facilities throughout the state.

Project Description

Greater Minnesota transit systems are maturing and require facilities specifically designed to meet their needs for garaging and maintaining vehicles, as well as office space for dispatching and other administrative activities. In the absence of appropriate space, these functions are often separated and poorly housed. Suitable facilities add useful life to transit vehicles, provide safe storage, and improve overall vehicle and service performance, as well as making pre - and post - trip inspections more thorough.

With support from the MnDOT Office of Transit and Active Transportation (OTAT), Minnesota’s rural transit agencies (those serving rural areas and cities of less than 50,000 in population) are in the process of completing their first individual five year transit investment plans. Minnesota’s small urban systems (serving cities with a population of 50,000 to 200,000) maintain transit development plans. Both the five year system plans and the transit development plans include facility needs over the next five years.

OTAT recently completed a solicitation for facility projects from these systems and is in the process of reviewing the applications. OTAT received 32 applications for major rehabilitation/expansion of existing facilities or construction of new facilities with an estimated total cost of greater than \$42 million. OTAT will develop a four year program of candidate projects that is prioritized based on an objective measure of need, local support as reflected by inclusion in their local plans, and are construction ready or on a path to being construction ready within this timeframe. Available federal, state, and local funding for facility development and other capital investments over this time period is anticipated to fall far short of the identified need.

Project Rationale

There are three primary rationales for facility investment:

Obsolescence: Existing facilities have reached the end of their useful life. Facilities have become structurally deficient or functionally obsolete to the point that replacement or major renovation is the best alternative for maintaining efficiency.

Growth: The transit system has outgrown its current facilities.

Regionalization: Over the past five years several smaller rural transit agencies have merged. Although overall operational efficiency is gained, the purpose and location of facilities may no longer match the current service design.

Project Timeline

- Summer 2020 – Solicitation Opens and Applications Available
- Fall 2020 – Project Selections Made
- Summer 2021 – Contracting Begins
- Fall/Winter 2022 – Projects Completed

Other Considerations

The Public Transit Participation Program provides grants for capital assistance to Greater Minnesota transit agencies on an annual basis. The bond funds will be targeted toward larger capital projects that cannot otherwise be accommodated within the statewide capital budget.

Critical connections are a key factor in enhancing commerce, tourism, and industry. Funding these facilities will ensure vehicles are available and increase the access for persons and businesses to ensure economic well-being and quality of life.

Impact on Agency Operating Budgets

There will be an increase in the transit agencies' operational expenses. On average a transit systems operating budget will reflect new expense in the range of \$1.50 to \$2.00 per square foot.

Description of Previous Appropriations

Bond funds were appropriated in the following years and amounts for other Greater Minnesota transit projects:

2014: \$1.5 million GO Bonds

2018: \$2.5 million GO Bonds

Project Contact Person

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Governor's Recommendation

The Governor recommends \$10 million in general obligation bonds for this request. Also included are budget estimates of \$10 million for 2022 and 2024.

Transportation

Project Detail

(\$ in thousands)

Greater Minnesota Transit Capital Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 4,000	\$ 15,000	\$ 15,000	\$ 15,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 4,000	\$ 15,000	\$ 15,000	\$ 15,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 500	\$ 500	\$ 500
Design Fees	\$ 0	\$ 500	\$ 500	\$ 500
Project Management	\$ 0	\$ 1,500	\$ 1,500	\$ 1,500
Construction	\$ 4,000	\$ 12,500	\$ 12,500	\$ 12,500
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 4,000	\$ 15,000	\$ 15,000	\$ 15,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 15,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

High Priority Bridges

AT A GLANCE

2020 Request Amount:	\$800,000
Priority Ranking:	5
Project Summary:	\$800 million in state funds for major transportation investments to fund high priority bridge projects throughout the state.

Project Description

This capital request will be used to fund high priority bridge needs across the state and would require multiple years of MnDOT’s annual state road construction (SRC) bridge budget at current program levels. MnDOT will identify bridge projects that will be given priority and this request will provide for the capital costs of construction, as well as project development and engineering activities, allowing the department to utilize this funding in the most efficient manner.

These bridges alone could use most, if not all, of MnDOT’s annual bridge funds to complete. Focusing annual bridge funds on these specific bridges leaves MnDOT unable to address numerous other bridges deteriorating into poor condition across the state. One example of a high priority bridge is the Blatnik Bridge in Duluth, which is in deteriorating condition, jeopardizing the ability to provide critical freight and commercial access to the state highway system. For illustrative purposes, other priority projects within the next five to ten years include:

- US 14 / Riverfront Drive in Mankato
- I-90 / I-35 Interchange in Albert Lea
- TH 62 / TH 77 Interchange in Richfield
- TH 55 over North Fork of the Crow River in Paynesville
- TH 317 over the Red River of the North in Marshall
- TH 27 over the Mississippi River in Morrison
- TH 22 over the Le Sueur River in Blue Earth
- TH 21 over the Cannon River in Fairbault
- US 59 over the Red Lake River in Thief River Falls
- I-94 / I-694 over Shingle Creek in Brooklyn Center
- US 59 over Pelican River in Erhards Grove
- US 212 over Buffalo Creek in Helen
- US 212 over Minnesota River in Granite Falls

Funding a portion of these projects through the use of bonds would free up MnDOT’s annual bridge funds to address dozens of other smaller bridges across the state.

MnDOT recommends a strategic approach to bonding where bond funding aligns with the critical needs identified through the long range project planning in the 10-Year Capital Highway Investment Plan (CHIP) and other planning processes. The CHIP has identified these high priority bridge needs in the planning horizon. Aligning bonding with these projects would reduce the negative impacts to performance outcomes.

The CHIP indicates such critical needs will begin impacting MnDOT's program in FY 2025. This bonding request would utilize the majority of available capacity against the agency's 20 percent debt service policy. This request would authorize \$200 million per year over four fiscal years, beginning in FY2025.

Project Rationale

Capital funding enables the agency to invest in the state highway system to achieve both performance targets and key system goals. The goal is an integrated transportation system that optimizes the movement of people and goods across the state. With this capital funding MnDOT will:

- Improve asset management through preserving and modernizing existing bridges
- Complete strategic expansion on key bridges throughout the state
- Lower the amount of bridges in poor condition over the next ten years to help MnDOT meet bridge condition targets
- Minimize the impact to other bridges due to redirecting regular capital program funds to the high priority bridge needs
- Remove uncertainty in project schedules and funding through 2028
- Provide time to work with Wisconsin to fully fund the multistate Blatnik Bridge project

These bridges are excellent bond candidates because the resulting fix lasts at least 20 years. They are highly visible projects impacting critical connections that have a direct impact on the state's commerce. Committing existing bond capacity now would align the bond funds with peaking bridge needs beginning in FY 2025.

Without this funding, there will be increasing deterioration of bridges throughout the state. The percent of bridge deck pavement in poor condition is estimated to increase significantly in the next 10 years. Minnesota cannot preserve and improve quality and performance of the state's transportation systems in future years without making this investment.

Project Timeline

Not currently determined.

Other Considerations

The state of Minnesota is authorized to issue General Obligation Bonds for trunk highway purposes under Article XIV, Section 11, of the Constitution. Bonds are purchased to advance construction projects beyond what the State Road Construction and Federal funding programs can support in a given period. The Trunk Highway Fund, rather than the State's General Fund, pays all of the debt service for Trunk Highway Bonds.

Bond debt, particularly when interest rates are low, is an important strategy for funding transportation projects. This requires balancing the needs of the transportation system by maximizing the funding resources available within a financially sound debt management policy. MnDOT policy states that debt service cannot exceed 20 percent of annual projected state revenues to the Trunk Highway Fund.

Impact on Agency Operating Budgets

Administration of this program is funded with existing budgets within MnDOT.

Description of Previous Appropriations

2015: \$140 million Trunk Highway Bonds

2017: \$940 million Trunk Highway Bonds (\$300 million for Corridors of Commerce Program)

2018: \$400 million Trunk Highway Bonds (Corridors of Commerce Program)

Project Contact Person

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Transportation

Project Detail

(\$ in thousands)

High Priority Bridges

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
Trunk Highway Bonds	\$ 1,480,000	\$ 800,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 1,480,000	\$ 800,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 251,600	\$ 136,000	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 1,228,400	\$ 664,000	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 1,480,000	\$ 800,000	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 0	
User Financing	\$ 0	

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	N/A
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

State Airport Development Program

AT A GLANCE

2020 Request Amount: \$57,100

Priority Ranking: 6

Project Summary: \$33.9 million in state funds for the proposed State Airport Development Program, of which \$24.7 million is for state-owned navigational aids and \$9.2 million is for grants to local governments for non-runway pavement projects. In addition, the request includes \$19.2 million for specific airport projects throughout the state. Lastly, this request includes \$4 million to replace one of MnDOT’s aircraft used for transporting MnDOT Aeronautic employees who serve more than 130 airports in the state.

Project Description

Funds for the proposed State Airport Development Program will be used for navigational aids and non-runway pavement projects. In the future, funds may be used for other capital improvements such as runway pavement, eligible buildings, land, and airfield lighting.

In addition to the program, this year there are additional requests to fund the following three individual airport projects:

- International Falls runway reconstruction - \$2.0 million
- Brainerd Aircraft Rescue and Firefighting (ARFF) Building - \$5.8 million
- Rochester runway reconstruction and safety improvements - \$11.4 million

These projects are either ineligible for federal funding or will exceed the threshold of federal or state airports funding available.

In all instances, the program and specific projects include environmental, design, engineering, construction, removal, rehabilitation, and all other activities necessary for project completion that are typically included in airport projects under Chapter 360 of Minnesota law.

This request will also provide General Funds to replace the 40 year old Beechcraft Bonanza (14MN) with a late model equivalent aircraft. The Beechcraft Bonanza aircraft is used by MnDOT employees to get technicians and replacement parts to airports to minimize the impact of equipment failures on the system of airports in Minnesota. This aircraft is also used by staff to fly and visits airports to monitor the condition and their compliance with State Rules and Federal Aviation Regulations.

Project Rationale

MnDOT’s Office of Aeronautics, in collaboration with stakeholders from airports throughout the state, seeks to establish the State Airport Development Program for capital improvements in areas that will benefit airports throughout the state. Future requests may include various aspects of airport development, however the focus of this request is non-runway pavements and navigational aids.

- Navigational Aids: MnDOT owns approximately half of the navigational aids in the state, with FAA owning the other half. These navigational aids are essential to the safe and efficient operation of our transportation system. The system is aging. Parts are no longer available for some of the older equipment and parts are salvaged off older equipment that is being replaced. In addition, MnDOT continues to receive requests from airports for the installation of new equipment and are unable to meet this demand. Navigational aids ensure that a wide variety of aircraft can land at airports in adverse weather conditions. In addition, MnDOT owns a system of Automated Weather Observation Stations (AWOS) that provide weather information statewide for the general public as well as the flying community.
- Non-runway Pavement Projects: Many areas of airport pavement are ineligible for federal funding. These areas are essential to the efficient operations of the airport. They are used for taxiing and parking of aircraft at the airport.

In addition to the program there are three requests to fund the following project:

- International Falls' project is to reconstruct the airports critical pavements while still maintaining commercial air service, an economic lifeline for the community. The runway pavements are nearly 40 years old and the pavement is in poor to failing condition.
- Brainerd's project includes the construction of a shared facility that will be owned by the airport but jointly used by the DNR. The airport will use the facility as an ARFF (aircraft rescue and firefighting) station. A combined facility will allow for a joint emergency operations center, mechanical areas, and common employee and public areas. By combining the facility, the footprint will be smaller than two facilities which enables additional development at the airport.
- Rochester's project will be for the reconstruction, extension, and installation of instrument approaches of the secondary runway. This rehabilitation project will ensure continued access to Rochester during adverse weather conditions enabling medical flights, airline service, and business aviation activities to continue uninterrupted.

The final portion of the request is replacing the current Beechcraft Bonanza. This aircraft plays a crucial role in serving the state's public airports. The State of Minnesota owns and operates over 80 weather systems that provide weather information for pilots, along with ground based navigation and lighting aids that allow aircraft to land when the weather is poor. The ability for MnDOT to provide technical expertise in these areas is critical to keep the aviation system functioning as a whole.

The aircraft is 40 years old and becoming more difficult to maintain as there are no replacement parts for many of the systems, such as the autopilot. The aircraft does not have the capability to fly in icing conditions and has resulted in 90 percent of trips being cancelled during the winter months. A newer aircraft will be able to fly in icing conditions and accommodate the different types of assignments performed by the agency.

Project Timeline

The majority of the airport improvement projects would be constructed in in FY 2021, 2022, and 2023, however some work may extend until 2024.

Other Considerations

Traveler safety, critical connections, system security, and asset management across the state are key

priorities for MnDOT. The State Airport Improvement Program ensures continued safety, reliability, and access to the state's publicly owned airports throughout the state.

The \$9.2 million in state funds for non-runway pavement airport development projects statewide would leverage more than \$47 million in federal funds and \$8.8 million in local funds.

Impact on Agency Operating Budgets

Although grants would be administered by MnDOT staff, MnDOT does not anticipate new or additional operating budget needs related to this activity. Many of these projects rehabilitate the existing aviation system. MnDOT does not anticipate new or additional local government operating needs for those projects.

Some projects may expand the system by building a new facility. MnDOT provides operational funding to airports based on a formula that considers infrastructure. A local match to these funds is required. This formula is periodically updated; therefore additional state and local operating dollars may be needed for those projects.

Description of Previous Appropriations

MnDOT has received General Obligation Bonds for statewide runway pavement projects. Individual airports have received General Obligation Bonds for airport improvement projects, such as reconstruction of airport terminal buildings.

2014: \$7.2 million GO Bonds

2017: \$3 million GO Bonds

Project Contact Person

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Governor's Recommendation

The Governor recommends \$19.2 million in general obligation bonds for airport projects in Brainerd, International Falls, and Rochester.

Transportation

Project Detail

(\$ in thousands)

State Airport Development Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 10,200	\$ 53,100	\$ 30,000	\$ 30,000
General Fund Cash	\$ 0	\$ 4,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 10,200	\$ 57,100	\$ 30,000	\$ 30,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 1,000	\$ 0	\$ 0
Pre-design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 11,000	\$ 6,200	\$ 6,200
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 10,200	\$ 41,100	\$ 23,800	\$ 23,800
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 4,000	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 10,200	\$ 57,100	\$ 30,000	\$ 30,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 53,100	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	No
Has the predesign been approved by the Department of Administration?	No
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Safety Improvements on Crude Oil Corridors

AT A GLANCE

2020 Request Amount: \$7,000

Priority Ranking: 7

Project Summary: \$7 million in state funds to be used to develop and implement safety improvements at highway-railroad grade crossings along crude oil corridors on which oil or other hazardous materials are transported.

Project Description

This capital request will be used for a number of short term and long term safety improvements needed along Minnesota’s crude oil rail routes. Priorities are identified in the Crude by Rail Grade Crossing Study, ranging from small roadway and signal improvements to full road-rail grade separations. In 2014, the Minnesota Legislature directed MnDOT to conduct this study on the effects of crude oil by rail transportation in the state.

Since that time, a number of grade separations have been funded and the legislature provided two appropriations (\$2 million in 2014 and \$5 million in 2015) to improve safety along crude oil corridors. However, needed grade crossing improvements were identified at all crude oil corridors, and recommended \$240 million in priority grade separations, as well as other types of improvements at 100 crossings in higher risk population centers.

This bonding request will invest an additional \$7 million in the grade crossing safety priorities and needs established in the Crude by Rail Grade Crossing Study. Priority investments include upgrading crossings with active devices (gates and signals) including four quadrant gate systems, installing signal (highway to railroad) interconnects, geometric roadway improvements, and construct medians. Construction of grade separations are not included in this request and are addressed in a separate request.

Project Rationale

Bakken shale crude oil is a significant rail commodity transported through Minnesota. Shipments of this commodity, originating in North Dakota and traveling through Minnesota’s communities by rail, have increased from virtually no crude by rail transport in 2005 to several trains per day today. Two recent multi-rail car derailments occurring in 2019 in Milbank, SD and Caspiana, LA illustrate the risk of derailment by vehicle collisions at grade crossings. These and other incidents highlight the potential safety risks involved in the significant traffic increase in large volumes of hazardous material by railroads.

Overall rail traffic is projected to grow by 25-40 percent by the year 2030. While crude oil traffic may lessen somewhat in the short term due to falling oil prices, and may be affected somewhat by increased pipeline capacity.

Each grade crossing presents the potential for train-vehicle collisions. For collisions involving trains carrying volatile Bakken crude oil, there is an increased risk of oil release and ignition of a significant fire, affecting persons and property up to one-half mile away. The intent of this investment programs is to reduce or eliminate grade crossing accidents, fatalities, and injuries.

Project Timeline

- Project selection, includes solicitation, technical review, estimate: 4 months
- Agreement development and execution: up to 6 months
- Project Construction: up to 18 months
- Project Closeout, includes final inspection, audit: 4 months

Other Considerations

Traveler Safety is of the utmost importance to MnDOT. In order to advance this priority, MnDOT requests funding to greatly enhance safety along crude oil corridor and prevent major accidents.

Impact on Agency Operating Budgets

Delivery of these projects, except for non-trunk highway grade separations, is typically all managed by MnDOT. An increase in projects will require increased resources for project administration, design, and delivery. The funding of this program will require resources to develop and administer the contracts. Since this program is not eligible for Trunk Highway Funds, MnDOT will attempt to identify internal resources and possibly seek a funding increase if necessary.

Description of Previous Appropriations

The Minnesota Legislature has appropriated the following for the Grade Crossing Safety program along crude oil corridors:

2014: \$2 million General Fund

2015*: \$5 million General Fund

* Note: The 2015 appropriation did not provide funding specifically for crude oil corridors. Instead, the appropriation provided funding for “rail grade crossing safety improvements.” These funds could be used for either crude oil corridors or replacement of antiquated equipment.

Project Contact Person

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Transportation

Project Detail

(\$ in thousands)

Safety Improvements on Crude Oil Corridors

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000
General Fund Cash	\$ 7,000	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 350	\$ 350	\$ 350
Construction	\$ 7,000	\$ 6,650	\$ 6,650	\$ 6,650
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 7,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Highway Railroad Grade Crossing-Warning Devices Replacement

AT A GLANCE

2020 Request Amount:	\$12,000
Priority Ranking:	8
Project Summary:	\$12 million in state funds to be used to replace approximately 40 aging highway/rail grade crossing safety gates and signal warning systems across the state.

Project Description

This capital request will provide funding to repair or replace a portion of the aging grade crossing warning devices in the state. Approximately 40 of the oldest highway/rail grade crossing signal systems on local roads in the state will be replaced with flashing light signals and gates at a cost of approximately \$300,000 per location, or \$12 million total.

Aging signal systems are prioritized and submitted as candidate projects by each operating railroad. MnDOT then selects projects based on a number of factors, including roadway traffic volumes, train counts, cost participation, and safety concerns.

Existing crossings that will be closed or consolidated are the highest investment priority for the grade crossing safety program. MnDOT uses federal funds for the installation of new (not replacement) systems at hazardous locations on both local and state roads.

A federal set-aside program pays up to 90 percent of the cost of these safety improvements. The remaining percentage comes from matching funds from the railroad. The \$6 million in federal funds, available annually, provides funding for only an estimated 20 projects (all types) per year. This is a small percentage of the grade crossing safety needs throughout the state. This program can be used to fund replacement of antiquated equipment, but doing so reduces the number of new safety improvements that can be made across the state.

Project Rationale

The reliability of grade crossing warning devices is of utmost importance to the traveling public. Rapid advancements in technology has made older grade crossing warning devices obsolete and, at times, difficult to repair due to lack of parts. When a crossing signal malfunctions, the lights flash in the same manner as if a train were approaching the crossing. The flashing of the lights continue until the problem is corrected, which could take several hours. Drivers can confuse a signal with a long warning time with one that is malfunctioning. This confusion can lead a driver to make an assumption that a signal has malfunctioned resulting in the driver’s decision to cross the tracks despite the flashing signal or lowered gates. Altering driver expectations in this manner can have dangerous consequences at a crossing and every other crossing that the driver encounters.

There are approximately 1,600 railroad highway/rail grade crossings signals in the state of Minnesota.

The normal life cycle for highway/rail grade crossing signals is 20 years. These signal systems need to be replaced as they get to the end of their design life. Based on inventory data prepared by MnDOT, there are over 750 signal systems that should be replaced. In order to manage this process, MnDOT has developed a statewide life cycle planning process, including a proposed funding mechanism to make these improvements that will administer the state's investment in grade crossing warning devices. This life cycle planning process must address the need to replace approximately 75 signal systems per year. To date, sufficient funding has not yet been identified.

Since older signal systems tend to experience more problems with malfunctioning equipment than newer equipment, signal modernization needs to be an integral component of MnDOT's efforts to maintain safety at highway/rail grade crossings.

MnDOT estimates it will cost approximately \$22.5 million per year (75 crossings per year x \$300,000) to fully address the state's highway/rail grade crossing signal modernization needs. This \$12 million request will address a significant portion of this need.

Project Timeline

- Project selection, includes solicitation, technical review, estimate: 4 months
- Agreement development and execution: 2 months
- Project Construction: up to 18 months
- Project Closeout, includes final inspection, audit: 4 months

Other Considerations

Traveler safety is of the utmost importance to MnDOT. In order to advance this priority, MnDOT monitors the safety performance of railroad highway/rail grade crossings signals throughout the state and looks to invest in reliable devices that limit accidents and ensure travelers safety.

A portion of appropriated bond funds for this activity may be used for consultant project management assistance. A small portion of federal funds may be included in each project to ensure pre-emption of state and railroad tort liability.

Impact on Agency Operating Budgets

The funding of this program will require resources to develop and administer the agreements with the railroads. Since, a majority of crossings are not on the Trunk Highway system and not eligible for Trunk Highway funds, MnDOT will attempt to identify internal resources and possibly seek a funding increase if necessary.

Description of Previous Appropriations

2014*: \$2.0 million GO Bond

2017: \$1.0 million GO Bond

*The 2014 legislature (2014 Minnesota Session Laws, Chapter 294, Article 1, Section 16 Subd 5) provided a \$2 million bond appropriation "to design, construct, and equip new rail grade crossing

warning safety devices of active highway/rail grade crossings or to replace active highway/rail grade warning safety devices that have reached the end of their useful life.” These funds were used to replace six antiquated equipment projects and three other safety upgrades.

In addition to this funding, the program receives \$1 million annually from the Minnesota Grade Crossing Safety Account in the special revenue fund (Minnesota Statutes 219.1651). This account is used for smaller safety improvements at crossings such as circuitry upgrades.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$6 million in general obligation bonds for this request.

Transportation

Project Detail

(\$ in thousands)

Highway Railroad Grade Crossing-Warning Devices Replacement

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 3,000	\$ 12,000	\$ 12,000	\$ 12,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 3,000	\$ 12,000	\$ 12,000	\$ 12,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 500	\$ 500	\$ 500
Construction	\$ 3,000	\$ 11,500	\$ 11,500	\$ 11,500
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 3,000	\$ 12,000	\$ 12,000	\$ 12,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 12,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Safe Routes to School Infrastructure Program

AT A GLANCE

2020 Request Amount: \$4,000

Priority Ranking: 9

Project Summary: \$3 million in state funds for transportation infrastructure projects focused on improving safety and encouraging more walking and bicycling to and from school in communities throughout Minnesota. In addition, \$1 million in state funds for pedestrian and bicycle safety projects on tribal reservations.

Project Description

This capital request will provide \$3 million in General Obligation (GO) Bonds to assist cities, counties, and towns eligible to receive funding for infrastructure projects for students walking and bicycling to and from school. Projects may include, but are not limited to, new sidewalks and bicycle trails, ADA improvements, traffic diversions controls, and enhanced crosswalk markings and devices.

Safe Routes to School (SRTS) projects have numerous benefits including enhancing safety, reducing congestion around schools, reducing school transportation costs, and providing an opportunity for physical activity which improves health and supports academic achievement.

In addition, this request includes \$1 million in General Funds to partner with Minnesota tribes to develop pedestrian and bicycle safety projects on tribal reservations. These safety projects provide opportunities for the state and tribes to further collaborate and enhance pedestrian safety on reservations.

Minnesota Walks (<https://www.minnesotawalks.org/>) identifies Native Americans as a priority population that is more likely to walk, and in rural communities. Improving pedestrian facilities on tribal reservations can positively impact the safety of people walking in tribal communities, and help address disparities experienced by Native Americans. These projects would be similar to the types of projects discussed above, largely focusing on installing crosswalks and signs, constructing sidewalks, and addressing lighting needs.

Project Rationale

SRTS Program was created in 2006 as a federal program and funded under the federal authorization. Since that time, the past two federal authorization bills have not identified specific funding for the SRTS Program. In 2012, a state SRTS Program was established to provide assistance in capital investments for safe and appealing non-motorized transportation to and from schools. The Minnesota program follows many of the guidelines established for the federal SRTS legislation. The law identifies specific program administration requirements and evaluation criteria.

In 2017 and 2018, the legislature appropriated \$1 million each year toward SRTS infrastructure program. The most recent solicitation for infrastructure projects in 2018 received 29 applications requesting \$6.7 million for infrastructure improvements near schools. The committee selected 12 projects utilizing the \$2 million in funding.

In 2015, MnDOT initiated a statewide Minnesota SRTS strategic planning process with the goal of developing a five-year Strategic Plan that would be helpful to the many agencies, organizations, and individuals working on SRTS initiatives across the State of Minnesota. This plan has guided the work of the program over the past four years and will be updated in 2019-2020.

Since its creation, the non-infrastructure part of the program has funded over 440 schools in Minnesota with plans that engage community members and develop support and priorities for increasing walking and biking to school. These plans are often the first step in evaluating and developing potential strategies that lead to implementation of infrastructure projects.

The additional \$1 million in General Funds will be specifically for safety enhancements on tribal reservation lands. This is due to restrictions on using bond funds on reservations. MnDOT and tribal representatives would collaborate in evaluating and identifying projects. The historic relationship between the state of Minnesota and tribes made it difficult to engage with local tribal communities. This created some safety concerns within Indian country along the trunk highway system. Following Executive Order 19-24 the state began engaging tribal nations government-to-government, and learned that high-speed traffic causes pedestrian and bicycle safety concerns in local tribal communities similar to those near schools.

Project Timeline

- Summer/Fall 2020 – Application Materials Developed
- Fall/Winter 2020 – Solicitation Opens and Applications Available
- Winter/Spring 2021 – Project Selections Made and Announced
- Summer 2021 – Contracting Begins
- Summer 2023 – Projects Completed

Other Considerations

SRTS supports goals of many partnering organizations working towards safety, health, and educational excellence of school children. Funding in the program provides opportunities for local agencies and schools to invest in providing school-aged children improved opportunities to walk or ride their bicycle to school.

Impact on Agency Operating Budgets

Administration of the program and delivery of infrastructure projects is absorbed by the Office of State Aid for Local Transportation.

Description of Previous Appropriations

2014: \$1 million General Fund

2017: \$1 million GO Bonds

2018: \$1 million GO Bonds

Project Contact Person

Tara Olds
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Governor's Recommendation

The Governor recommends \$8 million in general obligation bonds and \$2 million in general fund cash for this request. Also included are budget estimates of \$10 million for each planning period of 2022 and 2024.

Transportation

Project Detail

(\$ in thousands)

Safe Routes to School Infrastructure Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 2,000	\$ 3,000	\$ 3,000	\$ 3,000
General Fund Cash	\$ 1,000	\$ 1,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 3,000	\$ 4,000	\$ 3,000	\$ 3,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 3,000	\$ 4,000	\$ 3,000	\$ 3,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 3,000	\$ 4,000	\$ 3,000	\$ 3,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 3,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Facilities Capital Improvement Program

AT A GLANCE

2020 Request Amount:	\$58,800
Priority Ranking:	10
Project Summary:	\$58.8 million in state funds for the MnDOT Facilities Capital Improvement Program. The funds extend the useful life of existing facilities through renovation and expansion to meet current operational needs. When renovation and expansion of existing facilities is not feasible, new buildings may be constructed under this program. Strategic investments reduce long-term operating costs and improve energy efficiency.

Project Description

This capital funding request will provide support for MnDOT’s building infrastructure needs. Agency facilities are strategically located across the entire state so that customer needs, especially snow and ice operations and system emergencies, are addressed promptly. These facilities provide building space for staff, equipment, and material, including snow plows and salt. MnDOT has custodial control of 1,075 individual buildings (of which 187 are radio equipment shelters) at 269 sites. The types of buildings include: truck stations, regional headquarters, maintenance sites, research facilities, training facilities, salt/sand storage, cold storage, rest areas, and weigh scales.

Facility plans are based on data captured in the Enterprise Real Property Facilities Condition Assessment completed on 888 facilities managed and maintained by the facility managers and craftspeople in MnDOT’s eight districts and five special service sites. This assessment indicates that overall, 134 buildings are rated excellent, 418 are rated good, 260 are rated fair, 56 are rated poor, and 20 are rated crisis/emergency. The capital funds would begin to address these needs and be used for renovation and expansion, as well as constructing buildings to meet current operational needs.

MnDOT has determined that there are significant deferred maintenance and capital funding needs based on improved data acquisition and planning analysis. The listed project proposals that follow have been prioritized based on need, condition and, operational deficiencies of the existing facilities, and overall economic benefit.

MnDOT identifies a list of potential improvement projects for 2020 and beyond. For each project, MnDOT estimated a range for costs; the amounts below reflect the high end of project estimates to account for risks and potential unforeseen expenses.

Construction Funding:

- Eden Prairie Truck Station Addition and Renovations, \$15.2 million
- Mendota Heights Truck Station Addition and Renovations, \$15.8 million
- New Clearwater Truck Station, \$10.5 million
- New Jordan Truck Station, \$14.1 million

Design Fees:

- New Virginia Headquarters Building, \$3.2 million

Project Rationale

The purpose of the Facilities Capital Improvement Program is to provide a systematic approach to the maintenance, renovation, and replacement of MnDOT buildings. Continued maintenance and improvement to facilities is essential to supporting MnDOT's core mission to:

Plan, build, operate and maintain a safe, accessible, efficient and reliable multimodal transportation system that connects people to destinations and markets throughout the state, regionally and around the world.

Project Timeline

Below are the start and end dates for each project:

- Eden Prairie Truck Station Addition and Renovations: space and modernization needs
 - Construction: February 2021 – September 2022
- Mendota Heights Truck Station Addition and Renovations: space and modernization needs
 - Construction: February 2022 - September 2023
- New Clearwater Truck Station Campus: new campus needed as result of four-to-six-lane expansion of I-94 from St. Michael to Clearwater
 - Construction: March 2022 - September 2023
- New Jordan Truck Station Campus: replaces substandard campus that was removed in land swap with city of Jordan
 - Construction: May 2022 – November 2023
- New Virginia/Eveleth Area Headquarters Campus: building has aged, equipment size has increased, and city of Virginia desires that MnDOT relocate
 - Design: October 2020 - November 2021

Other Considerations

MnDOT manages several capital programs and facilities that widely impact the safety of travelers and its employees throughout the state. Traveler and employee safety are of the utmost importance to MnDOT and resources are managed strategically in an effort to ensure that facilities provide safety and security of assets, employees, and the travelling public.

Impact on Agency Operating Budgets

These funds will assist MnDOT facilities' adherence to Executive Order 19-27 requirements by reducing energy use on a BTU/square foot/year basis.

Description of Previous Appropriations

2014: \$7.95 million TH Fund

- Willmar District Headquarters (\$4.37 million)
- Little Falls Truck Station (\$3.58 million)

Project Contact Person

Tiffany Dagon
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Governor's Recommendation

The Governor recommends \$58.8 million in trunk highway bonds for this request. Also included are budget estimates of \$40 million for each planning period of 2022 and 2024.

Transportation

Project Detail

(\$ in thousands)

Facilities Capital Improvement Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
Trunk Highway Bonds	\$ 0	\$ 58,800	\$ 40,000	\$ 40,000
Trunk Highway Cash	\$ 7,950	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 7,950	\$ 58,800	\$ 40,000	\$ 40,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 400	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 5,880	\$ 4,000	\$ 4,000
Construction	\$ 7,950	\$ 52,520	\$ 36,000	\$ 36,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 7,950	\$ 58,800	\$ 40,000	\$ 40,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 0	
User Financing	\$ 0	

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	No
Has the predesign been approved by the Department of Administration?	No
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	No
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Minnesota Rail Service Improvement Program

AT A GLANCE

2020 Request Amount: \$8,000

Priority Ranking: 11

Project Summary: \$8 million in state funds is requested for the Minnesota Rail Service Improvement (MRSI) Program to construct freight rail projects that improve freight rail service in Minnesota. These funds would provide grants and long-term no-interest loans to regional railroad authorities, shortline/regional railroads, and shippers to improve rail facilities, increase rail shipping, and support economic development.

Project Description

This capital request will provide funds for the MRSI Program. Solicitations for grants and loans will be issued. Regional and statewide freight studies, as well as the State Rail Plan, also identify needs that may be addressed by the MRSI Program.

Funds appropriated to the MRSI Fund are used for projects in the following program areas:

Freight Rail Economic Development Grant Program: This program provides grants to railroads, shippers, local governments, and other qualified applicants for eligible public or privately owned freight rail projects that demonstrate a clear tie to economic development.

Capital Improvement Loan Program: Both railroads and shippers are eligible to receive interest-free loans for capital improvements. Typical projects include upgrading small segments of rail lines, construction and extension of rail spurs, bridge replacement or upgrade, and development of loading or unloading facilities. Recipients must meet certain criteria to protect the investment of Minnesota taxpayers.

Rail Line Rehabilitation Program: This a partnership program with a rail authority, rail shippers, and MnDOT. This program loans money to rail authorities to rehabilitate operating, but deteriorating, rail lines. The program requires shipper financial participation and projects must meet criteria to protect the investment of Minnesota’s taxpayers. Rehabilitation loans have included 29 state-funded rehabilitation projects.

Rail Bank Program: This program acquires and preserves abandoned rail lines and right-of-way for future transportation use. Once acquired, MnDOT has a financial responsibility to maintain abandoned railroad property placed in the Rail Bank Program.

Project Rationale

The MRSI Program seeks to preserve and enhance rail service in the state. MRSI assists rail users

(shippers) and rail carriers (railroads) with infrastructure improvements, as well as preservation of rail corridors through land banking in support of economic development.

Minnesota's short line and regional railroads provide a critical function in the rail network. Short line and regional railroads are lighter-density railroad lines that have typically been spun off larger railroads and operate independently. Short line and regional railroads provide important freight connections between communities and national and international markets served by the Class 1 railroads. Many of the smaller railroads in Minnesota are in need of capital improvements and rehabilitation to be able to operate safely and reliably. In addition, businesses that wish to ship or receive goods by rail must have adequate rail infrastructure, such as rail spurs, sidings, and loading equipment. The MRSI Program assists with such needs.

Project Timeline

Timelines for projects funded under this program will not be known until funds are appropriated, project applications are solicited, and projects are selected. It is anticipated that projects will be required to meet project delivery timelines allowed by the funding source in order to be eligible for funding.

Other Considerations

Total state appropriations, combined with federal grants and funding from railroads, shippers, and local units of government, and with loan repayment proceeds, have driven rail investments exceeding \$159 million. Since its inception, the program has helped fund 209 capital improvement projects to railroads and shippers, 25 rail line rehabilitation projects, five purchase assistance projects to regional rail authorities, and 17 rail bank purchase projects.

The Freight Rail Economic Development Grant Program was established by the Minnesota Legislature in 2017 after a need to provide financial assistance for rail improvements beyond the capabilities of the Capital Improvement Loan Program was identified. Traditionally, demand for the loan program fluctuates based on the economy, condition of the freight rail system, commercially available interest rates, emerging trends, and many other factors. The grant program allows for funding of projects supporting economic development that may not otherwise qualify for public or private financing. It will also work to further the goals of the Minnesota State Rail Plan.

Impact on Agency Operating Budgets

This would fund an existing program. There is no known impact to state operating budgets at this time.

Description of Previous Appropriations

2017: \$1 million in GO bonds (grants only)

Project Contact Person

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Governor's Recommendation

The Governor recommends \$5 million in general obligation bonds for this project. Also included are budget estimates of \$5 million for 2022 and 2024.

Transportation

Project Detail

(\$ in thousands)

Minnesota Rail Service Improvement Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 1,000	\$ 8,000	\$ 8,000	\$ 8,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 1,000	\$ 8,000	\$ 8,000	\$ 8,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 1,000	\$ 8,000	\$ 8,000	\$ 8,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 1,000	\$ 8,000	\$ 8,000	\$ 8,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 8,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	Yes
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Port Development Assistance Program

AT A GLANCE

2020 Request Amount:	\$15,000
Priority Ranking:	12
Project Summary:	\$15 million in state funds for the Minnesota Port Development Assistance Program, which supports infrastructure needs of Minnesota’s public ports on the Great Lakes and Inland River Navigation Systems.

Project Description

This capital request is for the Port Development Assistance Program. The purpose of this program is to:

- Expedite the movement of commodities and passengers on the commercial navigation system.
- Enhance the commercial vessel construction and repair industry in Minnesota.
- Promote economic development in and around ports and harbors in the state.

Eligible projects are funded by program grants that provide up to 80 percent state funds and a minimum 20 percent local share.

Past project examples include replacement of a warehouse roof, rehabilitation of a barge terminal dock wall, a newly constructed municipal dock, and rehabilitation of a dock area for truck parking.

Project Rationale

The Port Development Assistance Program helps to improve access to waterway transportation that benefits Minnesota industries and the public by upgrading facilities and infrastructure, as well as rehabilitating and expanding port capacity.

As part of this capital budget request process, the four public ports provide a \$30-40 million list of future project needs for 2020 and beyond. The \$15 million request will be prioritized based on need, employment generated, and overall economic benefit.

Project Timeline

Illustrative project timeline:

- July 2020 - State Register Notice of Funds Availability/Request for Project Proposal Applications
- September 2020 - Deadline for Submission of Application
- March 2021 - Execution of Grant Agreement(s) and Encumbrance
- April 2021 – Project Construction Begins

- April 2022 – Mid-point of Project Construction
- March 2023 – Project Construction Complete

Other Considerations

Critical connections are a key factor in enhancing commerce and industry. The four public ports in the state are a critical link in shipping routes. Modernization and improvements are needed to maintain these links and be competitive.

Port Development Assistance Program funds can be used with federal and local dollars to complete projects that benefit a port. An example of this is the rehabilitation of Port Terminal Drive in Duluth. Federal and city funds were used with Port Development Assistance funds to complete a road project that would not have been possible without this partnership.

Impact on Agency Operating Budgets

The funding of this program will have no impact on department operating budgets or state operating subsidies.

Description of Previous Appropriations

2014: \$2 million GO Bond

2015: \$3 million General Fund

2017: \$5 million GO Bond

2018: \$5.2 million GO Bond

Since 1996, between \$0.5M and \$5.2M has been appropriated for this program each biennium.

Project Contact Person

Patrick Phenow

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Governor's Recommendation

The Governor recommends \$10 million in general obligation bonds for this project. Also included are budget estimates of \$10 million for each planning period of 2022 and 2024.

Transportation

Project Detail

(\$ in thousands)

Port Development Assistance Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 12,200	\$ 15,000	\$ 15,000	\$ 15,000
General Fund Cash	\$ 3,000	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 15,200	\$ 15,000	\$ 15,000	\$ 15,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 15,200	\$ 15,000	\$ 15,000	\$ 15,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 15,200	\$ 15,000	\$ 15,000	\$ 15,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 15,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Passenger Rail Program

AT A GLANCE

2020 Request Amount: \$30,000

Priority Ranking: 13

Project Summary: \$30 million in state funds to provide non-federal matching funds for the implementation of passenger rail services along several corridors in the state and connecting Minnesota to the upper Midwest. These corridors include a second daily Amtrak train between the Twin Cities, Milwaukee and Chicago (TCMC), the Northern Lights Express (NLX) service to Duluth, and development of other corridors identified in the 2015 State Rail Plan.

Project Description

This capital request will be used to continue passenger rail corridor development work for the following new and expanded services:

- The second TCMC train's environmental and predesign work are expected to be mostly completed by the spring of 2020. Current project financial partners include WisDOT, the La Crosse Area Planning Organization, Ramsey County Regional Railroad Authority, and the Great River Rail Commission. This request includes \$1 million to complete environmental work and service planning and \$9 million for the state's share of final design.
- The NLX project has completed preliminary engineering and received the necessary environmental approval in the fall of 2017. The estimated state share of the final design work and any supplemental environmental documentation, along with some construction, is \$18 million. Additional funding will need to be requested for construction and operations.
- There are several groups representing corridors identified in the 2015 State Rail Plan that have expressed interest in service development, including an I-35 corridor between the Twin Cities and Albert Lea and a project on the existing St. Cloud/Moorhead corridor. This request includes \$2 million for corridor development work.

Project Rationale

Minn. Stat. 174.632 charges MnDOT with planning, designing, developing, and constructing passenger rail services. The 2015 State Rail Plan further directs MnDOT to lead the development of passenger rail services and to participate with the Midwest Regional Rail Initiative in the development of a multi-state passenger rail system in the Upper Midwest.

MnDOT works in partnership with local governments and regional rail authorities, neighboring state Departments of Transportation, community groups, and corridor advocates to deliver passenger rail services that are federally compliant, environmentally friendly, and sustainable to connect Minnesota with the national passenger rail system. The focus is to connect Minnesota's regional centers to increase mobility and access to employment, education, health care, and commercial services.

Project Timeline

- The second TCMC project: Environmental work and service planning, in 2019-2020, final design in 2020-2021.
- The NLX project: Final design in 2019-2020, construction in to begin in 2020-2021 and operations as soon as 2021-2022.
- Additional corridor(s) development and/or demonstration projects are to be determined, beginning as early as 2020-2021.

Other Considerations

Passenger rail funds can be used with federal or local dollars for project work. The \$26 million in 2009 GO bonding has leveraged over \$40 million in federal funding. MnDOT has authority to receive and spend federal funds for passenger rail projects in the 2020-21 biennium (\$10 million for TCMC and \$20 million for NLX). Additionally, WisDOT is an active partner with the TCMC project and has identified funding to match Minnesota funds and apply for any federal programs that are passenger rail eligible.

Passenger rail projects have shared benefits with the freight rail system by addressing changing infrastructure needs, safety, and capacity constraints. MnDOT has and will continue to develop the expertise within the agency to design, construct, and operate passenger rail services. A key element to implement a passenger rail system is to explore potential alternative funding methods, public/private sector funding opportunities, and potentially private sector project development and operations.

Impact on Agency Operating Budgets

Passenger rail planning is not Trunk Highway Fund eligible. Passenger rail planning and project development activities are funded through General Fund appropriations and eligible specific corridor project management activities are funded through General Obligation Bonds authorized in 2009.

Description of Previous Appropriations

2009: \$26 million GO Bonds

Project Contact Person

Dan Krom
Passenger Rail Program Director
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Governor's Recommendation

The Governor recommends \$10 million for Minnesota's share of design and environmental work for a second daily Amtrak train between the Twin Cities, Milwaukee, and Chicago.

Transportation

Project Detail

(\$ in thousands)

Passenger Rail Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 30,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 30,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 1,000	\$ 0	\$ 0
Design Fees	\$ 0	\$ 11,607	\$ 0	\$ 0
Project Management	\$ 0	\$ 4,393	\$ 0	\$ 0
Construction	\$ 0	\$ 13,000	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 30,000	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 30,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	

Statewide Freight Safety Investments

AT A GLANCE

2020 Request Amount: \$11,000

Priority Ranking: 14

Project Summary: \$11 million in state funds to invest in capital improvements that make the regional freight corridor system safer. This request includes \$7.5 million to construct weigh station and safety inspection buildings at priority locations throughout the state. The request also includes \$3.5 million to construct additional truck parking spaces at key locations and maintain the Truck Parking Information Management System (TPIMS) that provides truck drivers with parking availability information.

Project Description

This capital request will provide funding to construct four inspection buildings on the I-94, I-35, and I-90 corridors. One challenge for enforcement personnel conducting inspections is that truck undercarriages are becoming increasingly more difficult to physically access due to low clearance and new equipment mounted on the underside of trucks. Not only do inspection buildings provide a climate-controlled environment to perform inspections, but incorporating a pit allows an inspector easier access to the undercarriage of a commercial vehicle.

This request also provides funding for the expansion of public truck parking at rest areas for safety. Funding will add an additional 15-20 truck parking spaces at the top four existing rest area sites identified with the highest need.

In addition, funding is for the existing intelligent transportation system that allows truckers to see if truck parking is available at a site in real-time. Any user can access the 511 website (www.511mn.org/) to see if there are available spots open at a rest area when this system is installed. Only a small portion of MnDOT’s rest areas have this system currently installed.

The TPIMS portion of this request is for the capital assets needed to expand the system to new locations that currently do not have the system installed. These assets include sensors, electronic signs, fiber optic cable, computer cabinets, and wireless connectivity devices. These items together are needed to make the system work at new locations.

Project Rationale

Construction of these inspection buildings would allow the State patrol to increase the efficacy of their inspection activities regardless of the weather conditions. Currently certain inspection activities are inhibited, especially during the winter months, and there are specific vehicle configurations that are challenging to inspect with existing station infrastructure. A description of the various types of inspections is provided below:

- Level IV: Special inspections to examine a particular item, trend, or completed under a special study
- Level III: Driver credentials only (license, medical certificate, record of duty status, vehicle

inspection reports)

- Level II: All Level III elements, plus walk-around visual inspection of the vehicle (e.g., lights, tires, coupling devices, load securement, brake system warning devices, test of air loss rate, steering wheel lash)
- Level I: All Level II elements, plus physical inspection of steering axle and under-carriage inspection of all other axles, and check of brake adjustment

A programmatic benefit to this increase would be the change in inspection distribution by level. Federal Motor Carrier Safety Administration (FMCSA) strongly encourages states to conduct at least 25 percent Level I inspections and 33 percent Level III inspections of the total inspections conducted. Currently, Minnesota is unable to meet the Level I inspection minimums.

The lack of inspection buildings and inclement weather in Minnesota are some of the causes of not meeting higher inspection numbers. Implementing indoor fixed facilities and reaching the required inspections will show results that align more closely to FMCSA's goals.

The funding request for additional truck parking is due to the national shortage of spaces needed to meet the demands of the freight industry. Minnesota recently conducted a statewide Truck Parking Study in 2019. The study identified the need for additional public truck parking, expanded information for truck drivers, as well as coordination with the private sector. This investment will ensure that freight and commerce is able to continue moving in Minnesota safely. It will also reduce potential nuisances of unauthorized truck parking on local streets.

Project Timeline

Weigh Station Inspection Buildings:

- Project scoping and design: up to 12 months
- Project Construction: up to 18 months
- Project Closeout: 4 months

Truck Parking Expansion (illustrative project timeline):

- July 2020 – Priority projects are advanced to final design
- December 2020 – Final Designs are completed and projects are added to STIP/CHIP
- March 2021 – Projects are advertised for bid
- April 2021 – Projects awarded, funding encumbrance completed
- June 2021 – Project construction begins
- September 2021 – Rest Area project construction completed
- December 2021 – TPIMS expansion projects completed

Other Considerations

Traveler safety is of the utmost importance to MnDOT. These investments make the regional freight corridor system safer. Weight and safety enforcement is a key in protecting the state's roadway and bridge infrastructure and motorists from unsafe vehicles and unqualified drivers. These facilities play a key part of Minnesota's federally required and approved weight enforcement program.

The proposed expansion of truck parking spaces and the TPIMS is a high benefit-low cost strategy to reduce the time expended by truck drivers to find safe truck parking sites. Truck parking is an important resource because truck drivers can plan their routes better and find safe places to rest, as well as to meet current trucking requirements.

A portion of appropriated funds for constructing weigh stations may be used for consultant project management assistance.

Impact on Agency Operating Budgets

Funding for the additional truck parking spaces and TPIMS will have an operating budgets impact by adding expenses to the Rest Area and RTMC/ITS program. These expenses are estimated to be very minimal and would be managed through existing means. The additional four inspection buildings will impact the MnDOT and State Patrol operating budgets, including additional expenses to operate the facilities that MnDOT would manage internally.

Description of Previous Appropriations

Not Applicable

Project Contact Person

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Transportation

Project Detail

(\$ in thousands)

Statewide Freight Safety Investments

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
Trunk Highway Bonds	\$ 0	\$ 11,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 11,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 550	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 760	\$ 0	\$ 0
Project Management	\$ 0	\$ 200	\$ 0	\$ 0
Construction	\$ 0	\$ 8,695	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 795	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 11,000	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 0	
User Financing	\$ 0	

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	Yes
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2024?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A