

Transportation

Projects Summary

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2022	2024	2026	2022	2024	2026
High Priority Bridges	1	THB	800,000	0	0	80,000	0	0
Local Bridge Replacement Program	2	GO	200,000	200,000	200,000	120,000	120,000	120,000
Local Road Improvement Fund Grants	3	GO	150,000	150,000	150,000	90,000	90,000	90,000
Aeronautics Infrastructure	4	GO	30,000	30,000	30,000	0	0	0
Highway Railroad Grade Crossing-Warning Devices Replacement	5	GO	18,000	18,000	18,000	5,000	0	0
Port Development Assistance Program	6	GO	28,000	28,000	28,000	5,000	5,000	5,000
Safe Routes to School	7	GO	2,000	2,000	2,000	1,500	1,500	1,500
Active Transportation	8	GO	8,000	8,000	8,000	4,000	4,000	4,000
		GF	1,000	1,000	1,000	1,000	1,000	1,000
Statewide Freight Safety Investments	9	THB	15,200	0	0	0	0	0
		THC	5,000	0	0	5,000	0	0
Minnesota Rail Service Improvement Program	10	GO	10,000	10,000	10,000	2,000	2,000	2,000
Greater Minnesota Transit Capital Program	11	GO	5,000	5,000	5,000	1,000	1,000	1,000
Facilities Capital Improvement Program	12	THB	69,000	40,000	40,000	69,000	40,000	40,000
		THC	2,200	0	0	2,200	0	0
Rail Corridor Capacity Improvements	13	GO	86,000	0	0	16,100	0	0
Total Project Requests			1,429,400	492,000	492,000	401,800	264,500	264,500
Trunk Highway Bonds (THB) Total			884,200	40,000	40,000	149,000	40,000	40,000
General Obligation Bonds (GO) Total			537,000	451,000	451,000	244,600	223,500	223,500
General Fund Cash (GF) Total			1,000	1,000	1,000	1,000	1,000	1,000
Trunk Highway Cash (THC) Total			7,200	0	0	7,200	0	0

<http://www.dot.state.mn.us/>

AT A GLANCE

- Over 145,000 centerline miles (single roadway, regardless of the number of lanes) including trunk highways and local roads
- 4th largest state highway system in the nation
- 4,901 bridges greater than 10 feet in length on Trunk Highway routes (including railroad, pedestrian, and other structures)
- 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
- 398 construction projects planned in the 20-21 biennium
- \$21 billion in planned investments for state highways over the next 20 years (MnSHIP)
- 5,189 full time equivalent employees as of FY21
- Truck freight traffic projected to increase 30% by 2030
- Greater MN transit ridership needs are projected to increase 45% by 2025

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
- 133 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 vehicle 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

Aeronautics
Transit
Freight and Rail Safety

State Roads

Program Planning & Delivery
State Road Construction
Debt Service
Operations and Maintenance
Statewide Radio
Communications

Local Roads

County State Aid Roads
Municipal State Aid
Roads

Agency

Management
Agency Services
Building Services

STRATEGIES

MnDOT's strategic initiatives demonstrate our agency's critical role in creating a safe, accessible, efficient and reliable transportation system. MnDOT strives to advance statewide strategic priorities and continue to build and maintain a comprehensive transportation system that serves Minnesotans now and into the future - including enhancing pedestrian safety, reducing transportation's impact on greenhouse gas emissions, and cultivating a more diverse transportation industry and workforce.

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.minnesotazd.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 MnDOT Strategic Operating Plan:

1. **Operational Excellence:** Ensure the safety and security of MnDOT employees and assets. Make forward-looking, customer-driven improvements. Be nimble and responsive. Maximize existing resources.
2. **Customer Trust:** Strengthen relationships. Make investments through open decision-making processes. Expand access to contracting and employment opportunities.
3. **Workforce Excellence:** Plan MnDOT's future workforce. Develop, engage and retain MnDOT employees. Improve the experience of prospective and new employees.

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

MnDOT plays a foundational role in creating a safe, accessible, efficient, and reliable transportation system. MnDOT is committed to efficient and fiscally responsible use of existing resources, while also acknowledging that long-term funding challenges remain in adequately meeting the maintenance and improvement needs of our transportation system. Despite those challenges, MnDOT strives to advance statewide strategic priorities and continues to build and maintain a comprehensive transportation system that serves Minnesotans now and into the future.

As stewards of the transportation system, MnDOT adheres to the following objectives: Open Decision-Making, Transportation Safety, Critical Connections, System Stewardship, and Healthy Communities.

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.

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 projects that align with the objectives above. MnDOT collaborates with internal and external stakeholders to prioritize requests each biennium. The requests address funding needs for all types of transportation and transportation partners. All MnDOT activity strives for Open Decision-Making. All MnDOT projects are meant to create Healthy Communities. The primary impacts of MnDOT's capital budget requests on Transportation Safety, Critical Connections, and System Stewardship are summarized below in order of priority.

High Priority Bridges: 35 percent of state bridges are more than 50 years old. These bridges impact Critical Connections and have a direct impact on the state's commerce and the traveling public. Minnesota faces a wave of aging bridges that need maintenance and reconstruction. Without this serious investment, MnDOT is unable to address numerous bridges deteriorating into poor condition across the state.

Local Bridge Replacement Program: Bridges are one of the primary assets within the state infrastructure system. There are more than 9,500 deficient bridges on the local road system. Bridges are one of the costliest assets to rehabilitate or replace. Local funding systems are often insufficient, meaning capital assistance is often the only way bridges are maintained. Supporting locals in maintaining their assets is central to proper System Stewardship.

Local Road Improvement Fund Grants: Transportation Safety is a concern on local roads. Investing in these assets keep them safe and navigable for travelers, benefiting the communities and local businesses they connect. There is sustained demand to improve the safety and mobility of rural roads, routes of regional significance, and to support local share of trunk highway projects.

Aeronautics Infrastructure: Navigational Aids (Nav Aids) and Automated Weather Observing Systems (AWOS) at airports across the state allow for weather forecasting in local communities. Without weather information, commercial traffic like shipping services, drones, and flights would be severely hindered. Weather is also used for snowplowing operations, boating, and on TV/radio broadcasts. Nav Aids and AWOS provide Critical Connections and Transportation Safety.

Highway Railroad Grade Crossing-Warning Devices Replacement: Many warning devices at railroad grade crossings are in dire need for replacement. Rapid advancements in technology have made older devices difficult to repair. Unreliable devices can contribute to accidents if erratic signaling occurs. Timely replacement of warning devices is essential to Transportation Safety.

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

Safe Routes to School: Providing safe access for children to travel to and from school in their communities is foundational for Transportation Safety. This program addresses Americans with Disabilities Act (ADA) requirements and safety concerns by making improvements to sidewalks, pedestrian crossings, and traffic diversions.

Active Transportation: Protecting pedestrian spaces is essential to Transportation Safety and supports MnDOT's "Let's Move Safely Together" campaign. The Active Transportation program provides grants for cities, counties, towns, and tribes to develop safe and accessible spaces for walking and biking. These infrastructure projects both minimize the risk of serious injury for Minnesotans while also providing areas for recreation and movement.

Statewide Freight Safety Investments: Freight traffic is expected to increase 30 percent by 2030. Investments are needed in vehicle inspection services, enforcement efforts, and parking facilities for truck drivers. This collaboration with commercial transportation providers improves the safety of their operations and ensures Transportation Safety for all travelers.

Minnesota Rail Service Improvement Program: Aging infrastructure, increased traffic, and load sizes are stressing short lines and regional railroad systems. Local shippers depend on capital improvements to strengthen routes to and from markets. Capital funding is often the only resource to improve these Critical Connections.

Greater Minnesota Transit Capital Program: Preserving and expanding public transit facilities increases access to safe, efficient, and responsive public transit in Greater Minnesota. This is an investment in the economic well-being and quality of life for Minnesotans beyond the Twin Cities Metro. Accessible public transit helps Minnesota maintain Critical Connections.

Facilities Capital Improvement Program: MnDOT's facilities house the equipment needed to maintain the transportation system. Aging buildings need to be renovated, expanded, or replaced as part of routine System

Stewardship. Providing staff with appropriate facilities allows MnDOT to utilize modern technology and equipment.

Rail Corridor Capacity Improvements: Investment in Minnesota’s rail corridor provides Critical Connections for travelers and businesses alike. Expanding service along several corridors is a key factor in enhancing commerce, tourism, and industry.

Utility Aircraft Replacement: MnDOT relies on state-owned and operated utility aircraft to visit the seaplane bases, heliports, and airports across Minnesota. Maintaining these aircrafts is part of the System Stewardship of statewide transportation.

Self-Assessment of Agency Facilities and Assets

Requests are assessed based on the following categories: Transportation Safety, Critical Connections, and System Stewardship. While each of the capital programs and projects will easily apply to multiple categories, below summarizes how these priorities are reflected in MnDOT’s requests.

Transportation Safety is of the utmost importance to MnDOT. To attain this objective, MnDOT requests:

- Local Road Improvement Fund Grants
- Highway Railroad Grade Crossing-Warning Devices Replacement
- Safe Routes to School
- Active Transportation
- Statewide Freight Safety Investments

Critical Connections enhance commerce, tourism, and industry. To improve or maintain these connections, MnDOT requests:

- High Priority Bridges
- Aeronautics Infrastructure
- Port Development Assistance Program
- Minnesota Rail Service Improvement Program
- Greater Minnesota Transit Capital Program
- Rail Corridor Capacity Improvements

System Stewardship projects are often more costly than local government budgets can bear. Maintaining and rehabilitating assets is essential to a functioning transportation system. To manage statewide assets, MnDOT requests:

- Local Bridge Replacement Program
- Facilities Capital Improvement Program
- Utility Aircraft Replacement

Agency Process for Determining Capital Requests

Requests cover more than just roadways and apply beyond the Minnesota Department of Transportation. The requests MnDOT proposes impact the state’s 130+ publicly owned airports, ports on Lake Superior and along the Mississippi River, transit services in Greater Minnesota counties, 4,000+ track miles serving railroad companies, accessible pedestrian and bicycle infrastructure, and local roads and bridges connecting communities across the state. Ultimately, these investments in transportation support a robust quality of life linking people to education, healthcare, jobs, and recreation and support a healthy economy, providing for the efficient shipping of raw and finished goods as well as access to jobs.

Offices and districts identify capital needs throughout the state through an assessment of unmet funding requests and consultation with stakeholders. Requests are evaluated by their urgency and effect. MnDOT chooses programs and projects that amplify the agency's five core objectives, enhance the long-term condition of Minnesota's transportation system, and maximize funding.

Major Capital Projects Authorized in 2020 and 2021

In 2020 the Legislature authorized funding for several capital programs and facilities MnDOT manages, including:

- Local Bridge Replacement Program: \$30 million in GO Bonds
- Local Road Improvement Program: \$75 million in GO Bonds
- Safe Routes to School: \$3 million in GO Bonds
- Minnesota Rail Service Improvement Program: \$4 million GO Bonds
- Port Development Assistance Program: \$14 million in GO Bonds
- Greater Minnesota Transit Capital Program: \$2 million in GO Bonds

In addition, the Legislature authorized nearly \$200 million in GO Bonds for grants to several political subdivisions for transportation related projects and \$300 million in Trunk Highway Bonds (THB) for the following:

- State Highway Construction (\$84 million THB)
- Rail Grade Separations (\$110 million THB)
- Project Development (\$25 million THB)
- Flood Mitigation (\$23 million THB)
- Facilities Capital Improvement Program (\$58 million THB)

In 2021 the Legislature authorized funding for several capital programs and facilities MnDOT manages, including:

- Safe Routes to School: \$5 million General Funds
- Active Transportation: \$5 million General Funds
- Second Amtrak Train to Chicago: \$10 million General Funds
- Minnesota Rail Service Improvement Program: \$13 million General Funds
- Local Bridge Replacement Program: \$14 million in General Funds
- Local Road Improvement Program: \$5.5 million in General Funds

In addition, the Legislature authorized nearly \$31 million in General Funds for corridor studies and local road project grants and \$413 million in THB for:

- Regional and Community Investment Priorities (\$113 million in THB)
- State Road Construction (\$100 million in THB)
- Corridors of Commerce (\$200 million in THB)

High Priority Bridges

AT A GLANCE

2022 Request Amount:	\$800,000
Priority Ranking:	1
Project Summary:	\$800 million in state funds for major transportation investments to fund high-priority state-managed bridge projects.

Project Description

This capital request will be used to fund high priority bridge needs across the state, which 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 most efficiently.

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 6 over Big Fork River near Big Fork
- TH 55 over North Fork of the Crow River in Paynesville
- US 10 over Buffalo River near Glyndon
- TH 60 over Des Moines River in Windom
- Robert Street Bridge in St Paul
- US 2 over 4th St NW in East Grand Forks
- TH 74 over Whitewater River in Elba
- TH 15 over North Fork Crow River in Kingston
- I-394 over Dunwoody Blvd in Minneapolis
- 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. Any remaining bond funding would be allocated to other priority bridge projects.

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 2026. This bonding request would utilize the majority of available capacity against the agency's 20 percent debt service policy. This request would authorize \$160 million per year over five fiscal years, beginning in FY2026.

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 number 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 caused by high priority bridge needs in project schedules and funding through 2029
- Provide time to work with Wisconsin to fully fund the multistate Blatnik Bridge project and allows time to work with Minneapolis on projects that impact both MnDOT and city systems

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 2026.

Without this funding, there will be an 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 the 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

The administration of this program is funded with existing budgets within MnDOT.

Description of Previous Appropriations

MnDOT most recently received Trunk Highway Bonds for bridges in 2008 in an amount of \$600 million.

Other recent Trunk Highway Bonds issuances for other purposes include:

2016: \$0

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

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

2019: \$0

2020: \$242 million Trunk Highway Bonds (state highway construction, rail grade separations, project development, and flood mitigation projects)

2021: \$413 million Trunk Highway Bonds (state highway construction and Corridors of Commerce Program)

Project Contact Person

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Governor's Recommendation

The Governor recommends \$80 million in trunk highway bonds authorized in 2022 for this request.

Transportation

Project Detail

(\$ in thousands)

High Priority Bridges

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
Trunk Highway Bonds	\$ 0	\$ 800,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 800,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 136,000	\$ 0	\$ 0
Construction	\$ 0	\$ 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	\$ 0	\$ 800,000	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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)?	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, 2026?	
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 Bridge Replacement Program

AT A GLANCE

2022 Request Amount:	\$200,000
Priority Ranking:	2
Project Summary:	\$200 million in state funds for the rehabilitation or replacement of local bridges across the state, as well as professional services, maintenance, rehabilitation, stabilization, or relocation of historic bridges.

Project Description

This capital request will provide funding to replace or rehabilitate deficient bridges owned by local governments throughout the state. The 2020 MnDOT Bridge Annual Report identifies 15,152 bridges on the local system. Of these bridges, 9,565 are deficient, 786 in poor condition, and 1,438 have a load posting requirement restricting the weight/size of a vehicle that can cross it. The average construction cost to replace a bridge in 2020 was is \$708,143. Counties and Cities pass city council or county board resolutions and have prioritized 772 deficient bridges in need of replacement over the next five years with an estimated total replacement cost of \$453 million. In 2020, local agencies replaced or rehabilitated 136 bridges statewide, totaling approximately \$67.1 million in construction costs. These bridges were funded from the following sources: federal aid (\$7.3 million), state aid (\$18.4 million), state transportation bonds (\$17.9 million), township (\$14.5 million), and local (\$9.0 million) funds.

A study from January 2015 identified 88 historic bridges that are owned by local agencies. Some of these bridges are open to vehicular traffic, while others are only open to non-motorized traffic or are completely closed. The estimate cost from 2015 to maintain, stabilize, and preserve these bridges is \$40.5 million. Adjusting for inflation, this is estimated at \$54 million in 2021 dollars. State bridge funding on historic bridges would be used in combination with federal and local matching dollars to maintain, rehabilitate, stabilize, and relocate some of these bridges.

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.

Local bridge replacement program funds are used in two important 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 bridges in cities with a population less

than 5,000 and county and city bridges with limited other transportation funding sources. 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 roadway approach grading on either side of the bridge and roadway surfacing costs.

A small percentage of local bridges are eligible for federal aid through the Area Transportation Partnership (ATP) process if they are on the federal aid system or selected by qualifications if they are off the federal aid system. These federal projects require a match of local funds that may range from 20 percent or more of the total project cost. The bridge bond funds are considered a priority for the local match on federal bridge projects in the State Transportation Improvement Plan (STIP). The current STIP has 12 local federal bridge projects of regional significance identified for federal funding in the FY2022-23 biennium, with \$8.55 million in federal funds requiring an estimated local match of \$4.42 million in funding.

Of the 772 bridges prioritized by the counties and cities, 62 of these are large bridges with an estimated replacement cost between \$1 and \$5 million. Funding these larger bridge replacements can be challenging for the local agencies because of the size and cost of the projects and the local agency's limited transportation resources.

An important major bridge on the priority bridge replacement list is the Historic Duluth Lift Bridge, Bridge L6116. The estimated rehabilitation cost for the iconic Historic Duluth Lift Bridge is approximately \$13 million. To fund major local bridges over \$7 million, a specific appropriation needs to be made to MS 174.50 Subd. 6d.

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

2016: \$0

2017: \$16.537 million GO Bond; \$31.875 million GO Bond - City of Minneapolis/Historic 10th Ave Bridge; \$0.8 million GO Bond - City of Isle/Malone Island Bridge

2018: \$5 million GO Bond

2019: \$0

2020: \$30 million GO Bond; \$52 million GO Bond - City of St. Paul/Kellogg Ave. Bridge

2021: \$14 million General Funds

Project Contact Person

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Governor's Recommendation

The Governor recommends \$120 million in general obligation bonds for this request. Also included are budget estimates of \$120 million for each planning period for 2024 and 2026.

Transportation

Project Detail

(\$ in thousands)

Local Bridge Replacement Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 136,212	\$ 200,000	\$ 200,000	\$ 200,000
General Fund Cash	\$ 14,000	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 150,212	\$ 200,000	\$ 200,000	\$ 200,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
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	\$ 150,212	\$ 200,000	\$ 200,000	\$ 200,000
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	\$ 150,212	\$ 200,000	\$ 200,000	\$ 200,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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	\$ 200,000	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
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)?	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, 2026?	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

2022 Request Amount:	\$150,000
Priority Ranking:	3
Project Summary:	\$150 million in state funds for rural road safety projects, routes of regional significance projects, and the local share of trunk highway improvements.

Project Description

This capital request 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, other major highways, and eliminate hazards.
- Assistance for local agencies to pay for their share of local road improvements impacted by trunk highway 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 the communities and solutions for reducing congestion on trunk highways.

State assistance is needed to supplement local efforts and the Highway User Tax Distribution (HUTD) 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) to help local communities finance transportation improvements on township, city, and county roads that meet the eligibility criteria of being regionally significant.

The most recent solicitation was completed in May of 2021 for \$75 million of funding appropriated by the legislature in the Minnesota Laws of 2020, 5th Special Session, Chapter 3. This resulted in the submittal of 425 applications for the program funding. The requested need for those applications was over \$344 million with a total project cost of \$835 million. Bond funds from the current request will be used in combination with local sources to fully fund the projects. The \$75 million awarded in 2021 will fund 75 local road projects throughout the state. This current request for \$150 million will be used to fund additional local road projects. These projects could be selected from the 350 remaining

unfunded applications submitted in the 2021 solicitation, through a future solicitation for new applications, or a combination of both.

Project Timeline

The Local Road Improvement Program is managed by an open solicitation for projects after an appropriation has been signed into law. The exception is projects identified and selected by the legislature as specified in the law. Local agencies apply for the funding through a solicitation process administered by MnDOT State Aid for Local Transportation Division. The process includes project selection, developing plans for state aid approval, and awarding a construction contract which results in the construction of a local road improvement. The design and construction 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, and fund the local share of trunk highway improvements.

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

2015: \$8.9 million GO Bond

2016: \$0

2017: \$115.932 million GO Bond

- \$90.63 million for projects identified in legislation
- \$25.3 million for Local Road Improvement Program open solicitation

2018: \$78.6 million GO Bond

- \$43.6 million for projects identified in legislation
- \$35 million for Local Road Improvement Program open solicitation

2019: \$0

2020: \$148.959 million GO Bond

- \$73.959 million for projects identified in legislation
- \$75 million for Local Road Improvement Program open solicitation

2021: \$5.5 million General Funds

Project Contact Person

Marc Briese

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Governor's Recommendation

The Governor recommends \$90 million in general obligation bonds for this request. Also included are budget estimates of \$90 million for each planning period for 2024 and 2026.

Transportation

Project Detail

(\$ in thousands)

Local Road Improvement Fund Grants

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 343,491	\$ 150,000	\$ 150,000	\$ 150,000
General Fund Cash	\$ 5,500	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 348,991	\$ 150,000	\$ 150,000	\$ 150,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
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	\$ 348,991	\$ 150,000	\$ 150,000	\$ 150,000
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	\$ 348,991	\$ 150,000	\$ 150,000	\$ 150,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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	\$ 150,000	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
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)?	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, 2026?	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

Aeronautics Infrastructure

AT A GLANCE

2022 Request Amount:	\$30,000
Priority Ranking:	4
Project Summary:	\$30 million in state funds for significantly delayed system maintenance of critical airport safety and essential airfield technology. Specifically, for state-owned navigational aids, underlying electrical upgrades, and lighting systems improvements. When eligible, this request will serve as a local match to secure federal funding to replace equipment.

Project Description

MnDOT is requesting funds to replace at least 75 of the 80 pieces of equipment and the underlying electrical infrastructure required to operate Automated Weather Observing Systems (AWOS). The State of Minnesota owns the vast majority of AWOS equipment. Without these 70 percent of the local weather information would not be available. This information is critical to supporting all aviation services.

These funds would replace 45 Vaisala Model VB AWOS systems which have been out of production for more than 20 years. The manufacturer stopped making new parts for this model more than 15 years ago. The manufacturer stated life expectancy is 20 years; placing each of these systems well outside their designed life expectancy. Currently, there are no new parts available. MnDOT has kept these systems functional through purchases from other states that have decommissioned their equipment. Without immediate investment airports from every region of the state can anticipate no longer having accurate local weather information and less predictable airport operations.

This proposal also allows for the preservation or replacement of the 30 Vaisala Model VC AWOS still active in the State of Minnesota. This model is no longer in production and these systems require parts that are rapidly becoming extinct. Deliberate steps must be taken to avoid them shutting down. An event like a power surge or lightning strike would prohibit repairs. Communities and airports across the state will be greatly impacted without urgent attention.

Further, there are 11 Instrument Landing Systems (ILS) in the state. These ceased manufacturing a decade or more ago. The manufacturer of these systems no longer produces replacement parts and we rely on scavenged parts from other systems when repairs need to be made. This leaves our system vulnerable to the availability of second-hand sources and is not a reliable way to keep the system operational. They require significant planning to replace and recommission through the FAA process. These systems are at larger key airports and in many cases support scheduled airline service to those communities. If we do not move forward with a replacement plan on this equipment it may jeopardize commercial airline services.

Project Rationale

Passenger travel is just the beginning of how Minnesotans use aviation. Farmers reap benefits from agricultural spraying, increasing crop yields through more efficient fertilizing. Aerial firefighting, mapping, and patrolling of utility lines help protect forested regions. Mail and package deliveries move goods throughout the state. Emergency response and patient transport services utilize heliports and runways at hospitals as well as airfields. Most ubiquitous is the weather data relied on by anyone who needs a forecast specific to their community. Aviation infrastructure is a benefit to every Minnesotan and a tool people and businesses rely on every day.

Navigational aids and AWOS may be the most impactful component of the aviation system to the everyday lives of Minnesotans. The 450 navigational aids and 80 AWOS are the backbones of aviation transportation. The AWOS systems maintained by MnDOT are National Weather Service (NWS) certified. Weather data is fed into a verification process (NADIN) and validated for quality through a 3rd party service. This process allows pilots to operate at locations that do not have a federally operated AWOS system.

Navigational aids and AWOS are the tools that allow for weather forecasting in local communities. This detailed weather information is critical to take off, fly, and land. Without it, commercial traffic like airplane charter operators, shipping services, drones, and regularly scheduled flights would be severely hindered. However, weather has impacts well beyond aviation and AWOS are used for MnDOT's snowplowing operations, boats, and waterways, and weather reports broadcasted on local television and radio stations. Without significant investment, our ability to provide useful information to the public will be dramatically reduced. Absent additional dollars critical services like air medical transportation will be unable to fly leaving Minnesotans at the mercy of good weather and ground transportation.

Project Timeline

The majority of the airport improvement projects would be constructed in FY 2023, and 2024, however, some work may extend until 2025.

Other Considerations

Impact on Agency Operating Budgets

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.

Description of Previous Appropriations

MnDOT receives an annual appropriation from the state airports fund to acquire, construct, improve, maintain, and operate airports, and other air navigation facilities. The funds are not indexed and have not been significantly altered in previous decades to keep up with inflation. The annual appropriation has remained stagnant as the system has aged. The increasing need by local communities has not been matched and we are at a critical juncture.

In addition, MnDOT has received General Obligation Bonds for statewide runway pavement projects.

Individual airports have received General Obligation Bonds for airport improvement projects, such as the reconstruction of airport terminal buildings.

2016: \$0

2017: \$3 million in GO Bonds

2018: \$0

2019: \$0

2020: \$18.7 million in GO Bonds

Project Contact Person

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Aeronautics Office Director

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Transportation

Project Detail

(\$ in thousands)

Aeronautics Infrastructure

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 21,700	\$ 30,000	\$ 30,000	\$ 30,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 21,700	\$ 30,000	\$ 30,000	\$ 30,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 5,000	\$ 5,000	\$ 5,000
Construction	\$ 21,700	\$ 25,000	\$ 25,000	\$ 25,000
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	\$ 21,700	\$ 30,000	\$ 30,000	\$ 30,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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?	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?	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)?	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, 2026?	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

2022 Request Amount:	\$18,000
Priority Ranking:	5
Project Summary:	\$18 million in state funds to be used for the replacement of aging or the installation of new highway/rail grade crossing safety gates and signal warning systems, along with closure/consolidation of highway/rail crossings.

Project Description

This capital request will provide funding to repair or replace a portion of the aging grade crossing warning devices in the state and to install new warning systems at high-risk locations. The oldest highway/rail grade crossing signal systems on local roads in the state will be replaced with flashing light signals and gates, which cost approximately \$300,000 per location. New systems will be installed at the highest risk locations at approximately \$300,000 per location. The cost of closures and consolidations varies dependent on the roadwork necessary to eliminate the crossing.

Aging signal systems are prioritized and submitted as candidate projects by each operating railroad. MnDOT then selects projects based on multiple 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 also uses federal funds for the installation of new and antiquated 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 and/or the participating local road authority. The \$6 million in federal funds, available annually, provides funding for only an estimated 20 projects of all types per year. This is a small percentage of the grade crossing safety needs throughout the state.

Project Rationale

The safety of people who use the roads at Minnesota's 4,000-plus railroad grade crossings has improved in recent decades. In the early 1990s, over 100 automotive crashes and 10 fatalities per year occurred at rail crossings in Minnesota. Currently, the state records about 36 crashes per year, of which five involve fatalities. 2020 was the first time in over a decade where there was only one fatality. MnDOT oversees crossings on all public roadways. Only four percent of crossings are on state highways.

The reliability of grade crossing warning devices is of utmost importance to the traveling public. Rapid

advancements in technology have 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. Flashing 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 assume that a signal has malfunctioned and lead a driver 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 useful life. Based on inventory data prepared by MnDOT, there are over 750 signal systems that should be replaced. MnDOT has developed a statewide life cycle planning process to manage system replacement. This includes 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 request will address a significant portion of this need.

MnDOT has developed a risk ranking system to select passive crossings for the installation of new warning devices. This system uses grade crossing characteristics to rank the risk at each crossing in the state. This includes deficient approaching and clearing sight distances as well as geometric factors such as skew and vertical alignments. This request will address a significant portion of the need to upgrade high-risk crossings.

Project Timeline

- Project selection, includes solicitation, technical review, estimate: 12 months
- Agreement development and execution: 4 months
- Project construction: up to 18 months
- Project closeout, includes final inspection, audit: 6 months

Other Considerations

Traveler safety is of the utmost importance to MnDOT. To advance this priority MnDOT monitors the safety performance of approximately 1,600 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 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 most 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

2016: \$0

2017; \$1.0 million GO Bonds

2018: \$0

2019: \$0

2020: \$0

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 \$5 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 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 1,000	\$ 18,000	\$ 18,000	\$ 18,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 1,000	\$ 18,000	\$ 18,000	\$ 18,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 700	\$ 700	\$ 700
Construction	\$ 1,000	\$ 17,300	\$ 17,300	\$ 17,300
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	\$ 18,000	\$ 18,000	\$ 18,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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	\$ 18,000	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)?	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, 2026?	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

2022 Request Amount:	\$28,000
Priority Ranking:	6
Project Summary:	\$28 million in state funds for the Minnesota Port Development Assistance Program, which supports the 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. Ports across the state provide multimodal connection options and access for freight. Ports also reduce truck demand on the highway and rail system. When designed, maintained, and operated adequately, connector routes facilitate the best use of the marine system, and improve the overall efficiency of the road and rail system.

The next round of federal infrastructure funding programs is in the works and is on pace to more than double the Maritime Administration's Port Infrastructure Development Program funding to nearly \$4 billion over the next 5 years. Port Development Assistance Program funds provide the non-federal match ports need to succeed in these upcoming rounds of federal funding.

The four public ports have provided a list of future project needs for 2022 and beyond, totaling \$34.4 million. This \$28 million request, along with their local share, will be used to carry out the projects on this list which will be prioritized based on need, employment generated, and overall economic benefit.

Project Timeline

Example project timeline:

- July 2022 - State Register Notice of Funds Availability/Request for Project Proposal applications
- September 2022 - Deadline for submission of application
- March 2023 - Execution of grant agreement(s) and encumbrance
- April 2023 - Project construction begins
- April 2024 - Mid-point of project construction
- March 2025 - 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 total 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

2016: \$0

2017: \$5.0 million GO Bonds

2018: \$5.2 million GO Bonds

2019: \$0

2020: \$14.0 million GO Bonds

Project Contact Person

Bill Gardner

Office of Freight and Commercial Vehicle Operations Director

651-366-3665

William.Gardner@state.mn.us

Governor's Recommendation

The Governor recommends \$5 million in general obligation bonds for this request. Also included are budget estimates of \$5 million for each planning period for 2024 and 2026.

Transportation

Project Detail

(\$ in thousands)

Port Development Assistance Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 24,200	\$ 28,000	\$ 28,000	\$ 28,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 24,200	\$ 28,000	\$ 28,000	\$ 28,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
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	\$ 24,200	\$ 28,000	\$ 28,000	\$ 28,000
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	\$ 24,200	\$ 28,000	\$ 28,000	\$ 28,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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	\$ 28,000	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)?	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, 2026?	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

AT A GLANCE

2022 Request Amount:	\$2,000
Priority Ranking:	7
Project Summary:	\$2 million in state funds for transportation infrastructure projects focused on improving safety and encouraging more walking and biking to and from school in communities throughout Minnesota.

Project Description

This capital request will provide \$2 million state funding 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 bikeways, roadway reconfigurations, pedestrian level lighting, 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.

Project Rationale

SRTS Program was created in 2006 as a federal program and funded under 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 assist in capital investments for safe and easy active 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 the 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 2020, the state legislature approved a bonding bill that included 3 million dollars in infrastructure funds, those projects will be solicited in Fall 2021.

In 2020, MnDOT updated the Minnesota SRTS strategic plan that confirms program goals and objectives and identifies needs and priorities for many agencies, organizations, and individuals working to improve walking and biking to school across Minnesota.

Since its creation, the non-infrastructure part of the program has funded SRTS plans in over 500 schools in Minnesota that engage community members, identify community-specific barriers, and develop priorities for making it safer and easier to walk and bike to school. Community-based SRTS plans are often the first step in evaluating and developing potential strategies that lead to

implementation of local infrastructure projects.

Project Timeline

- Summer/Fall 2022 – Application materials developed
- Fall/Winter 2022 – Solicitation opens and applications available
- Winter/Spring 2023 – Project selections made and announced
- Summer 2023 – Contracting begins
- Summer 2025 – Projects completed

Other Considerations

SRTS supports the goals of many partnering organizations working towards the safety, health, and educational excellence of students. Funding provides opportunities for local agencies and schools to invest in providing Minnesota students improved opportunities to walk or bike 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

- 2017: \$1 million GO Bonds
- 2018: \$1 million GO Bonds
- 2019: \$0
- 2020: \$3 million GO Bonds
- 2021: \$5 million General Funds

Project Contact Person

Marc Briese
State Aid Programs Engineer
651-366-3802
Marc.Briese@state.mn.us

Governor's Recommendation

The Governor recommends \$1.5 million in general obligation bonds for this request. Also included are budget estimates of \$1.5 million for each planning period for 2024 and 2026.

Transportation

Project Detail

(\$ in thousands)

Safe Routes to School

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 5,000	\$ 2,000	\$ 2,000	\$ 2,000
General Fund Cash	\$ 5,000	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 10,000	\$ 2,000	\$ 2,000	\$ 2,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
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	\$ 10,000	\$ 2,000	\$ 2,000	\$ 2,000
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	\$ 10,000	\$ 2,000	\$ 2,000	\$ 2,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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	\$ 2,000	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
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)?	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, 2026?	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

Active Transportation

AT A GLANCE

2022 Request Amount:	\$9,000
Priority Ranking:	8
Project Summary:	<p>\$8 million in bond funds for active transportation infrastructure projects focused on improving safety and encouraging more walking and biking throughout Minnesota.</p> <p>\$1 million in General Funds for pedestrian safety projects on state reservations.</p>

Project Description

This capital request will provide \$8 million in General Obligation (GO) Bonds to assist cities, counties, and towns eligible to receive funding for infrastructure projects for walking and bicycling. This capital request will also provide \$1 million in General Funds to partner with Minnesota tribes to develop pedestrian safety projects on state reservations. This is due to restrictions on using bond funds on state reservations. MnDOT and tribal representatives would collaborate in evaluating and identify projects.

Projects may include, but are not limited to, new sidewalks and bicycle trails, ADA improvements, traffic diversion controls, and enhanced crosswalk markings and devices. Walking and biking projects have numerous benefits including enhancing safety, reducing congestion, and providing an opportunity for physical activity which decreases obesity, improves health, and supports academic achievement. Examples of projects improving safety and encouraging walking and biking in recent years include:

- Complete Streets improvements in Pelican Rapids, Henning, Barnesville, Frazee, and Winona
- Extension of State Trails, including the Gitchi-Gami State Trail and the Blazing Star State Trail
- A pedestrian safety sidewalk retrofit project within the Mille Lacs Band’s Vineland community and HAWK crossing system in Vineland

In addition, MnDOT’s Office of Tribal Affairs has been working with each of the federally recognized Sovereign Tribal Nations to better understand their transportation needs, including those related to walking. Tribal citizens living on or near the reservation have limited access to motor vehicles and public transit and walk along highways to reach community destinations. There is an elevated risk of serious injury and death along these roadways because people walking must share space with people driving at high speeds.

Project Rationale

The Active Transportation Program was created in 2017 as an unfunded state program. The law

required the commissioner must establish a project evaluation and selection process that is competitive, criteria-based, and objective. The State Non-Motorized Transportation Advisory Committee's 2017 Annual Report includes guidance for the establishment of an Active Transportation Program, including a full list of eligible projects, local government participation, and scoring criteria.

Pedestrian paths provide critical access to goods and services. Creating accessible routes for non-motorized transportation will enhance safety, reduce congestion, and provide opportunities for physical activity. The estimated cost of pedestrian crashes over the next 20 years if current trends continue is \$4 billion. Implementing proven safety countermeasures can reduce crash risk at a fraction of the cost of crashes.

Project Timeline

- Summer/Fall 2022 – Application materials developed
- Fall/Winter 2022 – Solicitation opens and applications available
- Winter/Spring 2023 – Project selections made and announced
- Summer 2023 – Contracting begins
- Summer 2025 – Projects completed

Other Considerations

Active transportation supports the goals of many partnering organizations working towards safety and health. Funding for the program provides opportunities for local agencies to invest in providing improved opportunities to walk or bike.

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

2016: \$0

2017: \$0

2018: \$0

2019: \$0

2020: \$0

2021: \$5 million General Funds

Project Contact Person

Marc Briese

State Aid Engineer

651-366-3802

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Governor's Recommendation

The Governor recommends \$4 million in general obligation bonds and \$1 million in general fund cash for this request. Also included are budget estimates of \$5 million for each planning period of 2024 and 2026.

Transportation

Project Detail

(\$ in thousands)

Active Transportation

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 8,000	\$ 8,000	\$ 8,000
General Fund Cash	\$ 5,000	\$ 1,000	\$ 1,000	\$ 1,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 5,000	\$ 9,000	\$ 9,000	\$ 9,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
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	\$ 5,000	\$ 9,000	\$ 9,000	\$ 9,000
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	\$ 5,000	\$ 9,000	\$ 9,000	\$ 9,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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)?	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, 2026?	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

Statewide Freight Safety Investments

AT A GLANCE

2022 Request Amount:	\$20,200
Priority Ranking:	9
Project Summary:	\$15.2 million in state funds is requested to acquire land, predesign, design, construct, furnish and equip a new Class A Weigh Station near St. Cloud for the Department of Transportation and Department of Public Safety. An additional \$5 million in state funds is requested to add trucking parking spaces at key locations in the state to increase safety and provide rest for truck drivers.

Project Description

This capital request will fund the construction of a full weigh station, including scale and building. The scale will be designed to allow legal size/weight vehicles to bypass within or near the site. This site will be staffed by the Department of Public Safety (DPS) and open approximately 60-80 hours/week. The weigh station will feature a permanent building (approx. 5,000 sq.ft.) and will be enhanced with additional technology (weigh-in-motion, over-height detection, vehicle detection). Scales will be on multiple platforms to allow most trucks to be weighed in one stage.

Improvements to rest areas at the Big Spunk in Avon and Enfield Rest Areas will increase the number of truck parking stalls between 8-10 stalls at each site, make site modifications, and replace or install lighting, curb, and gutter as needed.

Project Rationale

Weigh stations are an important part of Minnesota’s truck size and weight enforcement efforts. They play a key role in protecting the state’s roadway infrastructure and protecting motorists from unsafe vehicles and unqualified drivers. According to the draft Weight Enforcement Investment Plan (WEIP), this interstate location qualifies for a Class A facility. Analysis on I-94 westbound showed that only 5 percent of trucks at St. Croix would be screened on I-94 west of Minneapolis, which is far below desired screening levels. Therefore, it is recommended that a Class A facility on I-94 be considered at this location.

In the last 10 years, overall tonnage carried by trucks has increased by nearly 25 percent. Truck drivers are often faced with a tough decision: find a safe parking location before exhausting their allowed hours-of-service (and lose productivity) or risk proceeding with uncertain parking expectations. If parking is unavailable when their hours elapse, drivers often park in unauthorized locations. As part of the 2019 Minnesota Statewide Truck Parking Study, the Big Spunk and Enfield Rest Areas were identified as areas of high unmet truck parking needs. These sites are routinely over capacity for available parking space. Increasing truck parking will provide safe rest space for drivers and assist in compliance with commercial vehicle operation regulations.

Project Timeline

Weigh Station Schedule – Project Schedule

- FY 2022/2023 Location scoping and property acquisition
- FY 2024 Predesign and engineering
- FY 2025 Engineering/Design
- FY 2026 Construction
- FY 2027 Staffing and operation

Rest Area Truck Parking Expansion – Project Schedule

- FY 2022 Scoping
- FY 2023/2024 Design and engineering
- FY 2024/2025 Construction
- FY 2025 Project complete

Other Considerations

A portion of appropriated funds for this activity may be used for consultant project management assistance and/or preliminary design.

Impact on Agency Operating Budgets

Since the proposed facility and parking improvements are located on or adjacent to state Trunk Highways, these requests are eligible for Trunk Highway funds. Internal staff will continue to manage the proposed projects under existing timelines and there will be very moderate impact on the operating budget from existing staff time to manage and construct these projects.

Description of Previous Appropriations

The Weigh Station program receives \$2.5 million annually in State Road Construction (SRC) funds. This does not include the cost of routine maintenance activities, such as mowing, snow removal, and janitorial services which are done by MnDOT districts.

Currently there are no specific funds allocated to truck parking improvements at this time.

Project Contact Person

Bill Gardner
Office of Freight and Commercial Vehicle Operations Director
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Governor's Recommendation

The Governor recommends \$5 million in trunk highway fund cash for this request.

Transportation

Project Detail

(\$ in thousands)

Statewide Freight Safety Investments

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
Trunk Highway Bonds	\$ 0	\$ 15,200	\$ 0	\$ 0
Trunk Highway Cash	\$ 0	\$ 5,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 20,200	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
Property Acquisition	\$ 0	\$ 5,000	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 500	\$ 0	\$ 0
Design Fees	\$ 0	\$ 1,000	\$ 0	\$ 0
Project Management	\$ 0	\$ 500	\$ 0	\$ 0
Construction	\$ 0	\$ 12,200	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 1,000	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 20,200	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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
Pre-design Review (M.S. 16B.335 subd. 3):	
Does this request include funding for pre-design?	Yes
Has the pre-design been submitted to the Department of Administration?	No
Has the pre-design 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)?	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, 2026?	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

2022 Request Amount:	\$10,000
Priority Ranking:	10
Project Summary:	\$10 million in state funds is requested for the Minnesota Rail Service Improvement (MRSI) Program to acquire land, predesign, design, and construct projects that improve freight rail service in Minnesota. These funds will provide grants 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 will be issued and applications taken. 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 Program will be distributed to projects under the 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.

Project Rationale

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 between national and international markets served by the Class 1 railroads. Many of the smaller railroads in Minnesota need capital improvements and rehabilitation 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 these needs. The grant program was appropriated \$4 million in FY 2020 and MnDOT received over \$21 million in grant requests for this funding.

Project Timeline

Timelines for projects funded under this program will be project-specific, but will generally follow the following timeline:

- Spring/Summer 2022 – Grant applications open
- Fall 2022 – Deadline for grant applications
- Winter 2022/Spring 2023 – Grants awarded
- Spring/Summer 2023 – Construction on projects begins

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 \$163 million. Since its inception, the program has helped fund 216 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. 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)

2018: \$0

2019: \$0

2020: \$4 million in GO Bonds (grants only)

2021: \$13 million in General Funds

Project Contact Person

Bill Gardner
Office of Freight and Commercial Vehicle Operations Director
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Governor's Recommendation

The Governor recommends \$2 million in general obligation bonds for this request. Also included are budget estimates of \$2 million for each planning period for 2024 and 2026.

Transportation

Project Detail

(\$ in thousands)

Minnesota Rail Service Improvement Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000
General Fund Cash	\$ 13,000	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 18,000	\$ 10,000	\$ 10,000	\$ 10,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
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	\$ 18,000	\$ 10,000	\$ 10,000	\$ 10,000
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	\$ 18,000	\$ 10,000	\$ 10,000	\$ 10,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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	\$ 10,000	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
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)?	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, 2026?	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

2022 Request Amount:	\$5,000
Priority Ranking:	11
Project Summary:	\$5 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 MnDOT, Minnesota’s rural transit agencies (those serving rural areas and cities of less than 50,000 in population) have completed 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 throughout the projected duration of each plan.

In September of 2020, OTAT completed a solicitation for capital projects to be scheduled in calendar years 2024 and 2025. MnDOT received 37 applications for major rehabilitation/expansion of existing facilities or construction of new facilities with an estimated total cost of greater than \$40 million. MnDOT has developed a four-year program of candidate projects. These are prioritized based on a criteria-based assessment of need, local support, and construction readiness or ability to become construction ready. Available federal, state, and local funding for facility development and other capital investments over this period is anticipated to fall far short of the identified need. A capital project solicitation will occur again this year, with the solicitation opening in July and closing in September.

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 2021– Solicitation opens and applications available
- Fall 2021– Project selections made and incorporated into four-year program
- Summer 2023 – Contracting begins
- Fall/Winter 2023– 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 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. Historically transit systems operating budgets reflect new expenses in the range of \$2.00 to \$2.50 per square foot. This cost will be re-evaluated as part of the 2021 solicitation.

Description of Previous Appropriations

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

2016: \$0

2017: \$0

2018: \$2.5 million GO Bonds

2019: \$0

2020: \$2.0 million GO Bonds

Project Contact Person

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Governor's Recommendation

The Governor recommends \$1 million in general obligation bonds for this request. Also included are budget estimates of \$1 million for each planning period for 2024 and 2026.

Transportation

Project Detail

(\$ in thousands)

Greater Minnesota Transit Capital Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 4,500	\$ 5,000	\$ 5,000	\$ 5,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 4,500	\$ 5,000	\$ 5,000	\$ 5,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 165	\$ 165	\$ 165
Design Fees	\$ 0	\$ 165	\$ 165	\$ 165
Project Management	\$ 0	\$ 500	\$ 500	\$ 500
Construction	\$ 4,500	\$ 4,170	\$ 4,170	\$ 4,170
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	\$ 4,500	\$ 5,000	\$ 5,000	\$ 5,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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	\$ 5,000	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
Pre-design Review (M.S. 16B.335 subd. 3):	
Does this request include funding for pre-design?	Yes
Has the pre-design been submitted to the Department of Administration?	No
Has the pre-design 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)?	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, 2026?	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

2022 Request Amount:	\$71,200
Priority Ranking:	12
Project Summary:	\$71.2 million in state funds for MnDOT’s 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 are 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 snowplows and salt. MnDOT has custodial control of 892 individual buildings at 279 sites. The types of buildings include truck stations, regional headquarters, maintenance sites, research facilities, training facilities, salt/sand storage, brine 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 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, 195 buildings are rated excellent, 405 are rated good, 229 are rated fair, 52 are rated poor, and 21 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 traditionally used a two-phase process that includes “Design Fee Funding” and “Construction Funding” requests. More recently, improved project scoping efforts have allowed for the combination of the two as part of a capital funding request. “Design Fee Funding” requests include consultant fees for schematic design, design development, land acquisition, and construction documents, including construction cost estimates completed at each stage. “Construction Funding Requests” include cost of construction, special inspections and testing, construction administration by the design consultants, and incidental costs related to contract letting.

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 2022 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:

New Virginia Headquarters Building and Maintenance Campus, \$66.3 million

Design Fees and Construction Funding:

Hutchinson Area Transportation Services Addition, \$2.2 million. This is a partnership with the City of Hutchinson and McLeod County where the City and County will request General Obligation Bonds. Total project cost is \$7.1 million.

Design Fees:

Hermantown Truck Station Campus (Pike Lake replacement), \$2.7 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 are essential to supporting MnDOT’s core mission: 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; all dates are subject to change based on current and future project schedules and staffing

New Virginia Headquarters Building and Maintenance Campus: buildings have aged and equipment size has increased

Construction: April 2024 – April 2026

Hutchinson Area Transportation Services: space needs at co-located facility with McLeod County and City of Hutchinson – partnership contribution

Design and Construction timeline determined by project lead

Hermantown Truck Station Campus: moves operations from leased space at Pike Lake Truck Station, Electrical Services Section from Nopeming Truck Station and maintenance operations and vehicles from Duluth HQ

Design: November 2024 – November 2025

Other Considerations

MnDOT manages several capital programs and facilities that widely impact the safety of travelers and their employees throughout the state. Traveler and employee safety are of the utmost importance to MnDOT and resources are managed strategically to ensure that facilities provide safety and security

of our assets, employees, and the traveling public.

Impact on Agency Operating Budgets

These funds will assist MnDOT facilities' adherence to Executive Order 11-12 requirements by reducing energy use on a BTU/square foot/year basis.

Description of Previous Appropriations

All previous appropriations were given on a project basis

2016: \$0

2017: \$0

2018: \$0

2019: \$0

2020: \$58 million TH bonds

2021: \$0

Project Contact Person

Tiffany Dagon

Director of MnDOT Building Services

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Governor's Recommendation

The Governor recommends \$69 million in trunk highway bonds and \$2.2 million in trunk highway cash for this request. Also included are budget estimates of \$40 million for each planning period of 2024 and 2026.

Transportation

Project Detail

(\$ in thousands)

Facilities Capital Improvement Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
Trunk Highway Bonds	\$ 58,800	\$ 69,000	\$ 40,000	\$ 40,000
Trunk Highway Cash	\$ 0	\$ 2,200	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 58,800	\$ 71,200	\$ 40,000	\$ 40,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
Property Acquisition	\$ 400	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 250	\$ 140	\$ 140
Design Fees	\$ 0	\$ 7,700	\$ 4,326	\$ 4,326
Project Management	\$ 5,880	\$ 3,200	\$ 1,798	\$ 1,798
Construction	\$ 52,520	\$ 57,850	\$ 32,500	\$ 32,500
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 2,200	\$ 1,236	\$ 1,236
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 58,800	\$ 71,200	\$ 40,000	\$ 40,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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
Pre-design Review (M.S. 16B.335 subd. 3):	
Does this request include funding for pre-design?	Yes
Has the pre-design been submitted to the Department of Administration?	No
Has the pre-design 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)?	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, 2026?	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

Rail Corridor Capacity Improvements

AT A GLANCE

2022 Request Amount:	\$86,000
Priority Ranking:	13
Project Summary:	\$86 million in state funds to implement rail corridor safety infrastructure and capacity improvements along the BNSF Railway Hinckley sub-division between Minneapolis and Duluth. This proposal addresses needs along primary existing rail freight corridors and potential future passenger rail corridors. The specified projects will increase freight rail operational efficiency, resolve longstanding freight rail capacity issues, and enhance safety at crossings.

Project Description

This state bonding request will serve as a local match for future federal applications to secure funding to construct freight rail capacity and safety enhancements. These include the addition of a BNSF Railway (BNSF) third main line (track) in Anoka County and state-of-the-art grade crossing safety modifications between Minneapolis and Duluth to ensure reliable and efficient freight rail transport.

The Federal funding programs identified include the Consolidated Rail Infrastructure and Safety Improvements (CRISI) and Infrastructure for Rebuilding America (INFRA) discretionary grant programs. These federal grant programs typically require a minimum 20 percent local match. However, project submissions with a higher match have been more likely to compete successfully for funding. Therefore, the requested funding is intended to provide a 60 percent local match to be competitive.

Analysis of this rail corridor identified opportunities for grade crossing safety enhancements. Investments may include crossing improvements along the corridor to address geometric deficiencies, antiquated technology, replacement of passive warning devices (yield or stop signs), and median barriers on the roadway approaches deterring motorists from driving around gate arms in the down position.

The proposal includes potential investment in the third main project by adding a third running track to the BNSF Railway route between Northtown Yard in north Minneapolis and Coon Creek Junction in Coon Rapids. The route is approximately 6 miles long. This section of rail right-of-way is part of the BNSF transcontinental route between Chicago and the Pacific Northwest and is one of the most heavily used routes in the upper Midwest. The segment is also shared by the Canadian Pacific (CP) and Union Pacific (UP) for trains serving the Twin Ports, as well as by Northstar Commuter Rail, and Amtrak. The construction of a third main line would increase total capacity to accommodate projected volumes of current and future traffic and ensure fluid operations and fast, on-time performance for rail services, providing significant economic benefits.

Project Rationale

Minnesota's freight rail system provides critical connections to markets beyond state and country borders. Many industries, including taconite mining and agriculture, rely on rail and other modes to receive and ship a broad range of goods throughout North America and across the globe. Freight rail also takes pressure off the state's constrained highway network.

The proposed project is intended to enhance safety and address capacity needs in a comprehensive and integrated manner along an entire rail corridor. The Hinckley Sub-division was selected because of the advanced planning, comprehensive engineering, and environmental work already completed that identified safety and capacity needs and recommended solutions.

Project Timeline

The Federal Railroad Administration has indicated that there will be two rounds of competitive CRISI grant solicitations per year following an anticipated approval of a multi-year federal transportation bill. If state bonding funds are signed into law in mid-2022, application for federal funding could proceed in the 3rd quarter with the potential to receive federal grant funding by the end of 2022.

Preliminary engineering and environmental clearance have already been completed for the third main and for the proposed grade crossing improvements.

A diagnostic review will need to be conducted for each grade crossing. This process, which is managed by MnDOT, is standard procedure when any changes are made to a grade crossing and includes input from the local road authority. Discussions were held with each city, county and township regarding each grade crossing in their respective jurisdictions at the time the EA was completed but the formal diagnostic review was deferred until funding was received. It is common project development to perform final diagnostic reviews in the year prior to construction as laid out in this timeline.

Grade Crossing Safety Improvements:

Review and finalization of proposed grade crossing improvements can proceed upon receipt of funding. Individual grade crossings would be addressed sequentially with crossings requiring roadway modifications given priority. Legal agreements with road jurisdictions and BNSF will need to be negotiated and executed.

- Final design would begin in early 2023 and likely last through 2024
- Construction could begin as early as 2024 but because of the large number of individual projects and the lead time for materials may require three construction seasons.

Third Main:

Before design and construction could begin on the third main project, it would be necessary to work cooperatively with BNSF to prepare all the necessary agreements.

- Negotiation of a final agreement with BNSF along with the procurement of a design team would likely require most of 2023.
- Completion of design and preparation for construction would occur during calendar year 2024.

Construction would require one construction season and be completed in 2025.

Other Considerations

MnDOT will continue to work with railroads, agency stakeholders, and other partners to improve the rail system by addressing infrastructure needs, safety concerns, and capacity constraints. MnDOT develops the expertise within the agency to manage the design and construction of rail projects. The grade crossing improvements proposed here represent a focused supplement to MnDOT’s statewide grade crossing improvement program.

A portion of appropriated funds for this activity may be used for consultant project management assistance, and/or design.

If any funds remain after completing the proposed construction projects, additional grade crossings will be selected that would benefit from the same improvements.

Impact on Agency Operating Budgets

Corridor-specific project implementation activities may be funded through general obligation bonds and/or general fund appropriations.

Description of Previous Appropriations

MnDOT annually receives state and federal funds to address grade crossing improvements statewide, which are administered through a risk-based assessment and stakeholder involvement process.

Project Contact Person

Bill Gardner
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Governor's Recommendation

The Governor recommends \$16.1 million in general obligation bonds for this request.

Transportation

Project Detail

(\$ in thousands)

Rail Corridor Capacity Improvements

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 86,000	\$ 0	\$ 0
General Fund Cash	\$ 10,000	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 10,000	\$ 86,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
Property Acquisition	\$ 500	\$ 4,300	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 691	\$ 5,942	\$ 0	\$ 0
Project Management	\$ 182	\$ 1,563	\$ 0	\$ 0
Construction	\$ 8,627	\$ 74,195	\$ 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	\$ 10,000	\$ 86,000	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
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	\$ 86,000	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
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)?	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, 2026?	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