

State Construction Program Outlook

TRANSPORTATION BILL - SFY 2020/2021 FUNDING ALLOCATION

“New Money” from 2019 Legislature includes:

- Base increase in Trunk Highway Funds in 2020/2021 (\$75M/year)
- New Chapter 3 Non-Designated Trunk Highway bonds in 2020/2021 (\$220M/\$220M)

Funding Allocation:

- Distribution is based on existing distribution formulas for District Risk Management Program and Statewide Performance Programs.
- Regular program includes Federal Funds and State Trunk Highway Funds (SRC).

SFY2020 Funding Allocations - \$ in Millions (Does not include Corridors of Commerce Program)		
District	Regular Program (SRC) Targets	Chapter 3 Non-Designated Bonds
D1	145*	22
D2	41	-
D3	163*	10
D4	31	8
D6	78	3
D7	79	-
D8	60	7
D Metro	290	227
Statewide	63	-
Total	950	277
Source: Minnesota 2020-2023 STIP *Targets are high due to major projects in each District.		

Investment Priorities:

- Long-term pavement preservation projects to improve pavement condition and remaining service life
- Additional bridge repairs, rehabilitation and replacements
- Initial investments in major urban corridor projects
- Other priority investment areas that were funded below the MnSHIP levels
- Areas identified by Districts as risks within their existing program

Impact to Bridge Condition by 2023

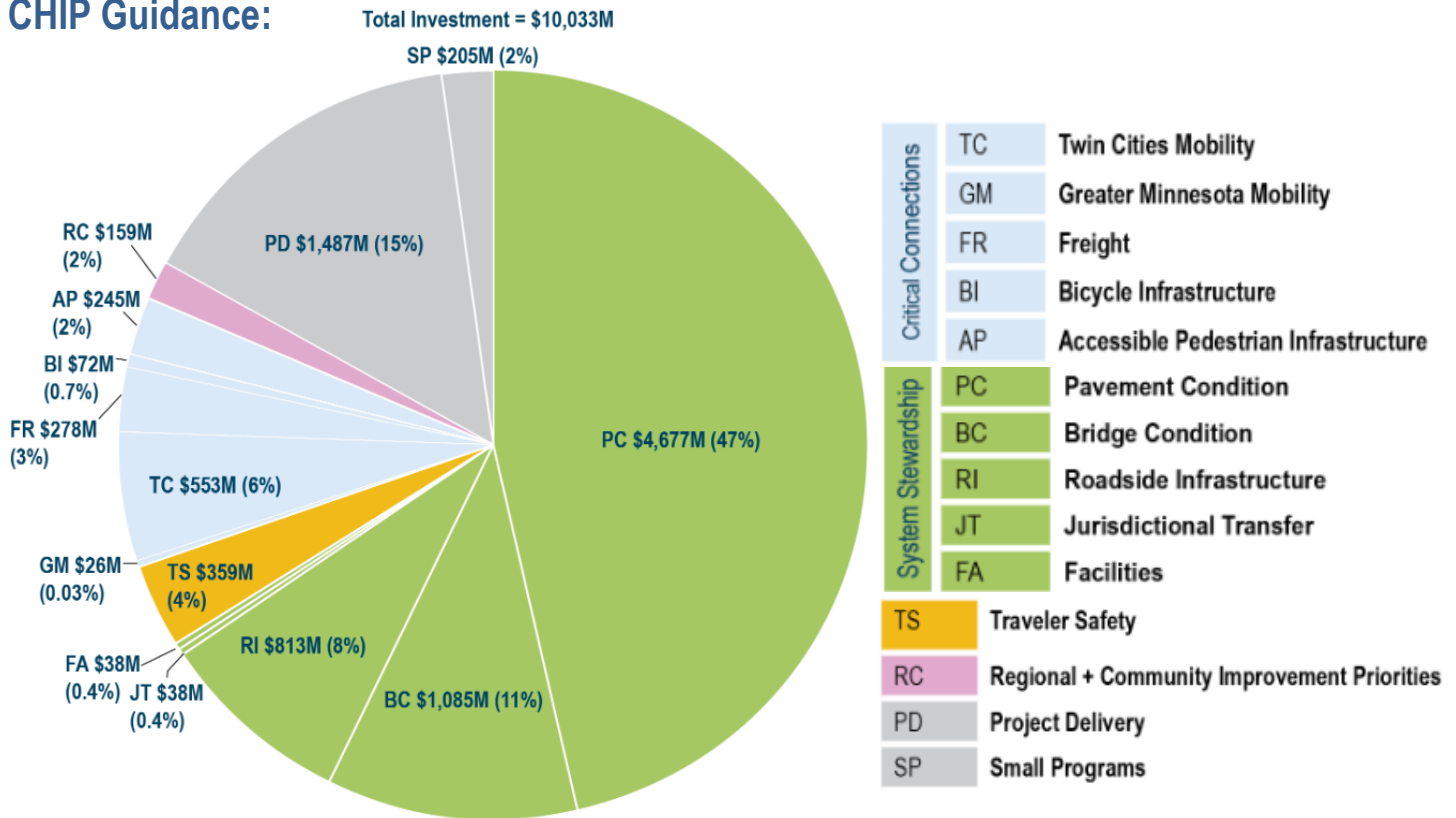
Condition	Before (2019)	MnSHIP Targets	After
NHS Poor	1.6%	2.0%	0.9%
NHS Good	43.5%	55.0%	44.6%
Non-NHS Poor	3.6%	8.0%	2.3%
Non-NHS Good	43.6%	50.0%	43.0%
Source: MnDOT Bridge Office, Bridge Replacement and Improvement Management (BRIM)			

Impact to Pavement Condition by 2023 Predicted % Poor (RQI ≤ 2.0)

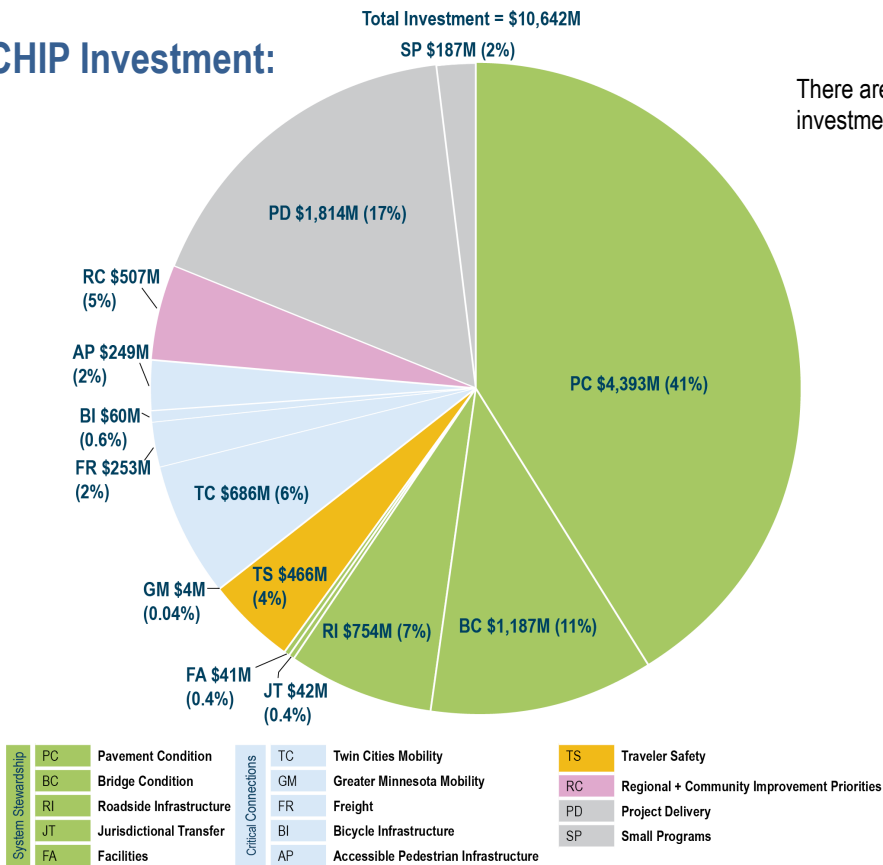
System	Before (2018)	MnSHIP Targets	After
Interstate	1.2%	2.0%	2.4%
Non-Interstate NHS	1.7%	4.0%	4.2%
Non-NHS	5.7%	10.0%	7.7%
Source: 2018 MnDOT Pavement Condition Annual Report http://www.dot.state.mn.us/materials/pvmtmgmt.html AnnualReport_2018.pdf			

TEN-YEAR CHIP GUIDANCE COMPARED TO INVESTMENTS, SFY2020-SFY2029

CHIP Guidance:



CHIP Investment:

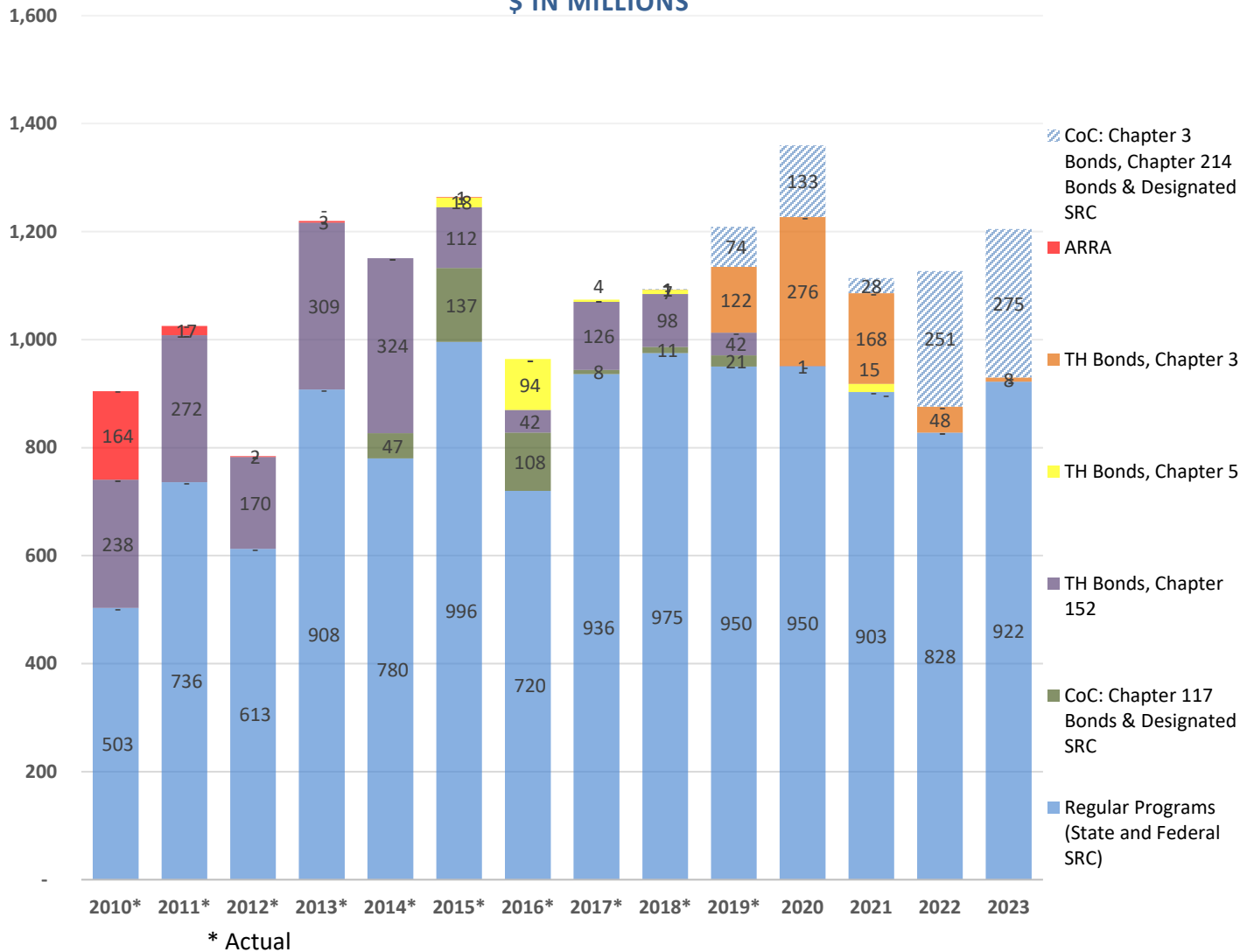


There are some differences between the guidance and planned investments in the CHIP. Some differences to note include:

- Corridors of Commerce (CoC) projects selected in 2018 are included.
- Pavement Condition investment decreased due to: revised funding estimates from legislative bonding, additional bridge project needs, and increased investment in the Local Partnership Program.
- Most of the increase in Traveler Safety investment is related to Twin Port Interchange project in Duluth.
- Twin Cities Mobility investment increased due to additional mobility projects funded through the CoC program.
- Freight investment is under programmed because some of the projects are not on the state highway system.
- Project Delivery investment increased to deliver the CoC projects.

MNDOT CONSTRUCTION OUTLOOK

\$ IN MILLIONS



2020-2023 STIP Investments – \$ in Millions (Does not include Corridors of Commerce Program)				
Investment Category	FY 2020	FY 2021	FY 2022	FY 2023
Pavement	525	417	493	529
Bridge	190	79	39	105
Safety	42	60	38	41
Major Construction	178	335	109	80
Other*	292	206	197	176
Total	1,227	1,097	876	931
*Other includes Right of Way, Consultant Agreement, Supplemental Agreement/Cost Overrun, Traffic Management, Rest Area Beautification, Enhancement, Noise Wall, and Misc. Agreement.				

CONSTRUCTION PROJECTS IN SFY 2020/2021 FROM THE 2020-2023 STIP ESTIMATED COST >\$15 MILLION

Route System	Project Number	SFY	Project Description	\$ in Millions
MN 5	2732-105	2020	RESURFACE AND REPAIR 12 BRIDGES ON MN HWY 5 BETWEEN I-494 AND THE SOUTH END OF THE HWY 5 MINNESOTA RIVER BRIDGE	27
MN 23, US 212	4203-50	2020	RESURFACE HWY 23 FROM COTTONWOOD TO HWY 212/HWY 23 IN GRANITE FALLS AND CONSTRUCT LEFT TURN LANES AT THE INTERSECTION OF HWY 23/LYON CR 9 AND HWY 23/LYON CR 10	28
I 494	1985-148	2020	RESURFACE, REPAIR DRAINAGE, ADD AND UPGRADE GUARDRAIL FROM 0.1 MILES EAST OF 5TH AVENUE IN ST. PAUL TO I-35E IN MENDOTA HEIGHTS	32
I 35	6982-322WP1	2020	I-35 IN DULUTH, FIRST PHASE OF TWIN PORTS INTERCHANGE CONSTRUCTION AND BRIDGE REPLACEMENT	47
I 35W	2782-347	2020	CONSTRUCT STORM WATER HOLDING CAVERN SYSTEM ON NORTHBOUND I35W FROM 42ND ST TO 0.1 MILE SOUTH OF 40TH ST IN MINNEAPOLIS	60
I 94	8680-173	2020	RECONSTRUCT FROM WRIGHT CR 39 IN MONTICELLO TO HWY 24 IN CLEARWATER (THREE-YEAR PROJECT)	104
I 94	2780-97	2020	CONCRETE OVERLAY, ADD EASTBOUND AND WESTBOUND LANES BETWEEN MN 610 AND MN 101, TMS, REST AREA PARKING LOT IMPROVEMENT, WEIGH IN MOTION AND LIGHTING FROM MN 101 IN ROGERS TO I494 JUNCTION IN MAPLE GROVE	125
MN 65	2710-47	2020	REHABILITATE BRIDGE ON MN HWY 65 AT 3RD AVENUE SOUTH OVER MISSISSIPPI RIVER IN MINNEAPOLIS	126
US 2	6004-26	2021	REPLACE CONCRETE ROADWAY ON HWY 2, EAST BOUND LANE FROM HWY 32 (MARCOUX) TO 1.8 MILES WEST OF HWY 59 (ERSKINE) AND REPAIR BRIDGE 91262 OVER A STREAM, 1.0 MILES WEST OF ERSKINE	15
MN 87	0306-31	2021	RESURFACE, WIDEN SHOULDERS AND REPLACE CULVERTS FROM FRAZEE TO THE BECKER/WADENA COUNTY LINE	18
US 2	3104-60	2021	RESURFACE HIGHWAY FROM .4 MI. E. PRAIRIE RIVER TO HWY 200	18
MN 60	4006-35	2021	RESURFACE ROAD HWY 14 TO HWY 13 IN WATERVILLE	19
US 212	6510-67	2021	RESURFACE HWY 212 TWO MILES EAST OF HWY 23 TO RENVILLE CR 6 & PASSING LANE. RECONSTRUCTION OF HWY 212 THROUGH SACRED HEART	19
US 12	0603-16	2021	RESURFACING, SHOULDER-WIDENING, SNOW SLOPING, CULVERT REPLACEMENTS AND BRIDGE IMPROVEMENTS FROM HWY 75 IN ORTONVILLE TO HWY 59	20
US 52	2506-83	2021	RECONSTRUCT SOUTHBOUND LANES OF HIGHWAY 52 FROM NEAR HIGHWAY 19 TO NEAR HIGHWAY 60. POTENTIAL NEW INTERCHANGE AND BRIDGE AT HIGHWAY 52 AND HIGHWAY 57 INTERSECTION AT HADER	57
I35	6982-322WP2	2021	I-35 IN DULUTH SECOND PHASE OF TWIN PORTS INTERCHANGE CONSTRUCTION. CONSTRUCT BRIDGES, RETAINING WALLS, DRAINAGE IMPROVEMENTS	252

CORRIDORS OF COMMERCE PROGRAM – 2018 SELECTED PROJECTS

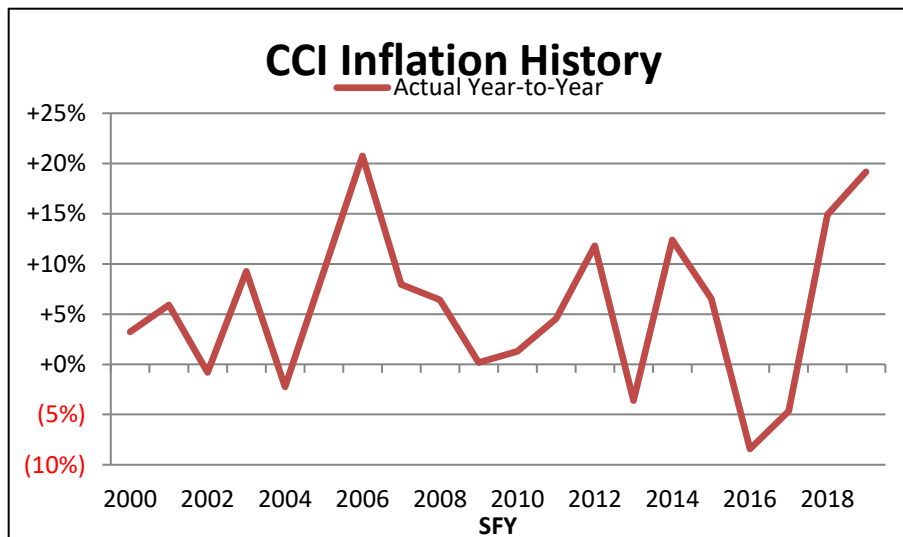
On May 1st, MnDOT announced that four projects were selected to receive the \$400M from the 2017 Legislative Session. During the 2018 Legislative Session, another \$400M was allocated to Corridors of Commerce which resulted in the selection of an additional three projects on May 30th. The table below indicates the selected projects and amount of Corridors of Commerce funding each received.

Date	Geographic Region	Trunk Highway	Project Description	\$ in Millions	Earliest Likely Contract Date
May 1st Announcement	Greater Minnesota	T.H. 169	In Elk River, from TH 101 to 197th Avenue, convert to a freeway	157	2022
	Greater Minnesota	I-94	From St. Michael (Trunk Highway 241) to Albertville (County Road 37), add an auxiliary lane	56	2019
	Metro District	I-494	From France Avenue to Trunk Highway 77 eastbound and from Trunk Highway 77 to I-35W westbound, add MnPASS lanes in both directions	134	2021
	Metro District	I-494/I-35W	Complete Phase 1 of the I-494/I-35W turbine interchange, northbound to westbound directional ramp	70	2021
May 30th Announcement	Greater Minnesota	T.H. 14	Owatonna to Dodge Center construct 2 to 4 lane conversion	160	2020
	Greater Minnesota	T.H. 23	Willmar to St. Cloud - construct 2 to 4 lane conversion	105	2022
	Metro District	T.H. 252/I-94	Convert to a freeway and add MnPASS lanes Dowling to TH 610.	132	2023
Total				814	

For more information on the Corridors of Commerce program please visit:

<http://www.dot.state.mn.us/corridorsofcommerce/index.html>

CONSTRUCTION COST INDEX (CCI) INFLATION PROJECTIONS

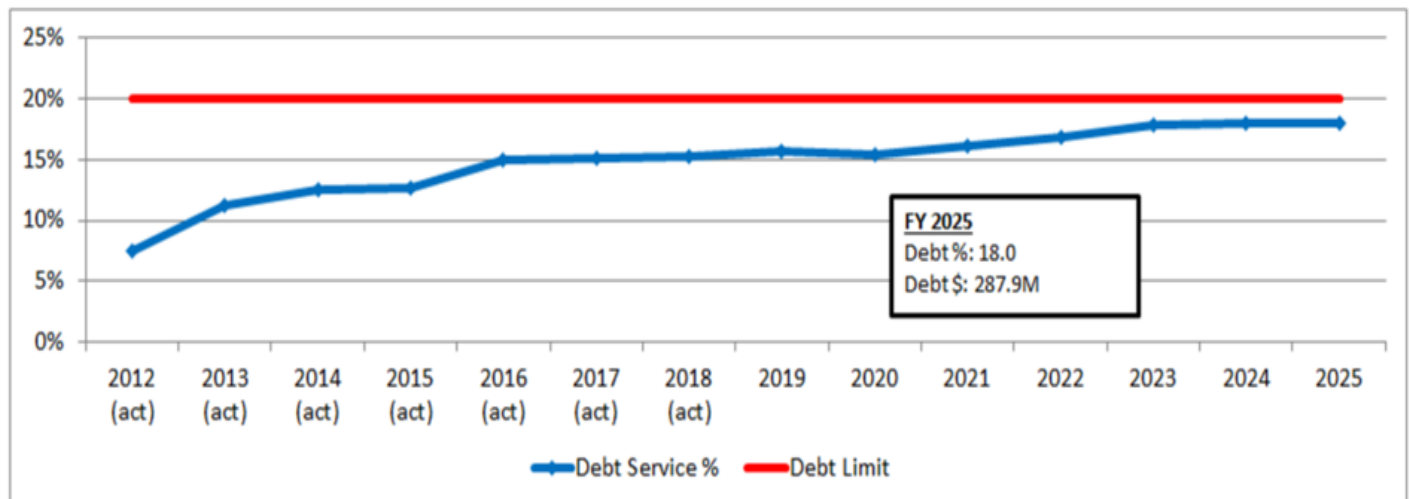


Construction Inflation Forecast	
SFY	Oct. 2019 STIP+6 Recommendation
2020	(6%)
2021	+3%
2022	+2%
2023	+5%
2024	+5%
2025 – 2030	+5%

DEBT SERVICE LEVEL

MnDOT

Trunk Highway Debt Summary as of EOS 2019 Forecast



For more information contact:

Josh Knatterud-Hubinger
Budget Director
Financial Planning & Analysis
Office of Financial Management
Minnesota Department of Transportation
(651) 366-4913
josh.knatterud-hubinger@state.mn.us