

State Construction Program Outlook – November 2023

TRANSPORTATION FUNDING SUMMARY

Funding from 2023 Legislature Session impacting the program:

- \$50.5M State Road Construction budget base increase/year
- \$200M one-time Trunk Highway State Road Construction bonds
- \$216M one-time funding for IIJA discretionary grant match
- \$158M one-time funding to named road and bridge projects
- \$153M Trunk Highway bonds and \$50M Trunk Highway cash for Corridors of Commerce (CoC) program

SFY 2024 Funding Allocations - \$ in Millions (Excluding CoC and Bonds)	
District	Regular Program (SRC) Targets*
District 1	122
District 2	79
District 3	61
District 4	122
District 6	186
District 7	97
District 8	54
District Metro	306
District C Statewide	116
Total	1,143

*does not include funding from 2023 Legislative Session
Source: 2024-2027 STIP

Transportation Investment Priorities:

- Increase investments in bridges
- Address funding gaps and inflationary increases in existing projects
- Deliver additional Infrastructure Investment and Jobs Act (IIJA) federal funding within MnSHIP framework
- Implement new IIJA programs

Impact to Bridge Condition by 2027			
Category	2023 (Current)	MnSHIP Target	2027 (Forecast)
NHS Good	27.7%	55%	44.3%
NHS Poor	6.9%	5.0%	4.1%
Non-NHS Good	29.4%	50%	31.3%
Non-NHS Poor	4.4%	8.0%	5.0%

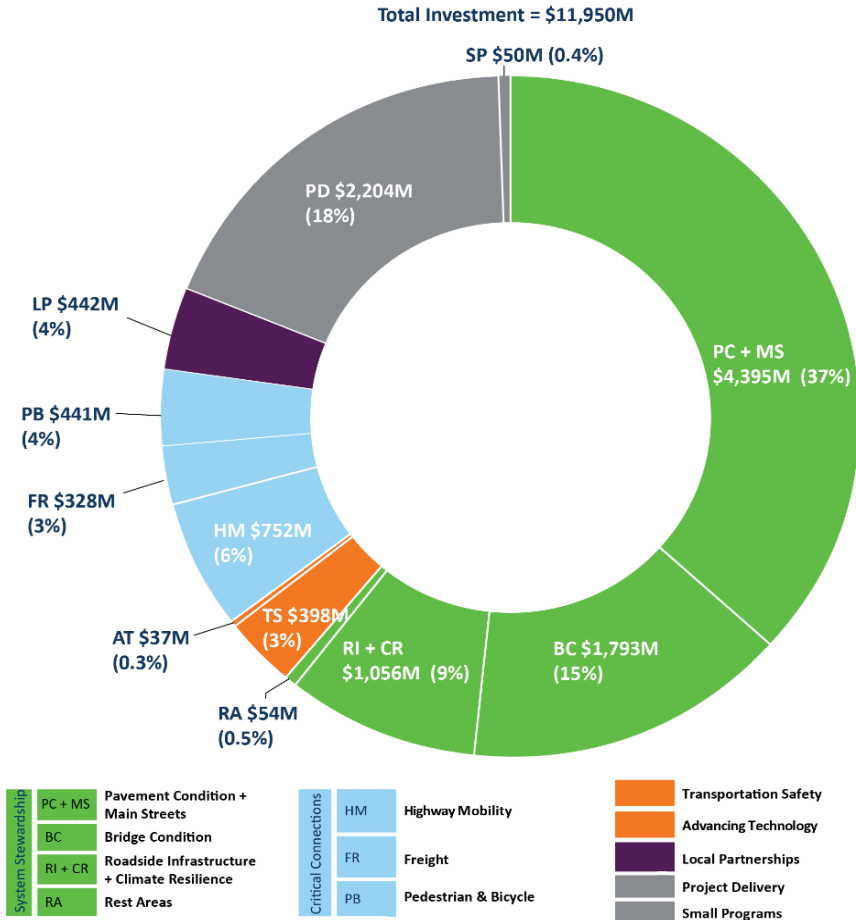
Source: MnDOT Bridge Office, Bridge Replacement and Improvement Management (BRIM)

Impact to Pavement Condition by 2027 Predicted % Poor (RQI <= 2.0)			
System	2023 (Current)	MnSHIP Target	2027 (Forecast)
Interstate	0.2%	2.0%	1.3%
Other NHS	0.5%	4.0%	1.4%
Non-NHS	1.2%	8.0%	3.0%

Source: MnDOT Pavement Management Unit, Office of Materials and Road Research

TEN-YEAR CHIP GUIDANCE COMPARED TO INVESTMENTS, SFY2024-SFY2033

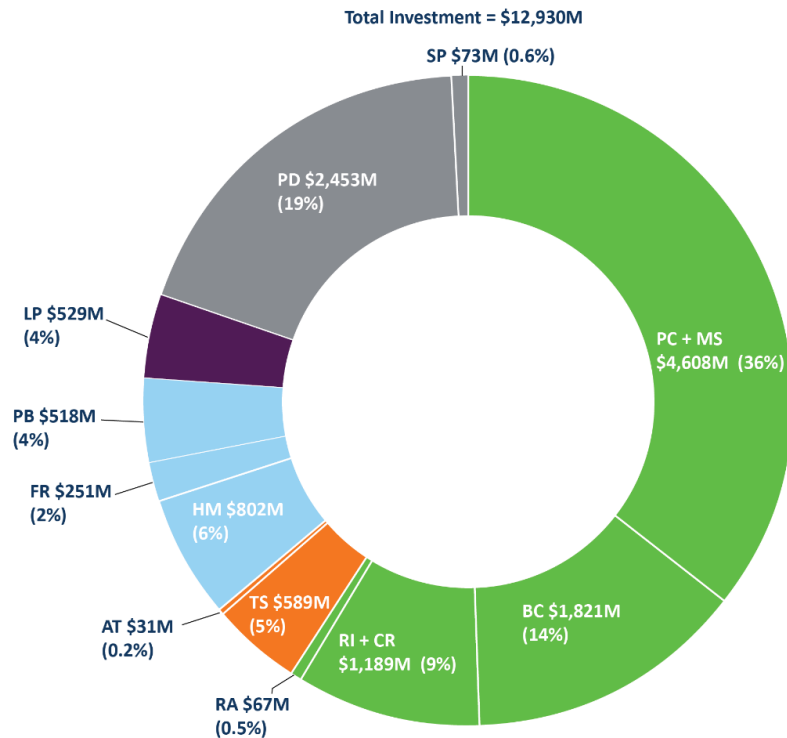
CHIP Guidance:



The final 2024-2033 CHIP is anticipated in November. There are some differences between the guidance and the planned investment in the CHIP. Some of the differences to note include:

- Corridors of Commerce (CoC) projects and projects funded through IJA competitive solicitations are creating higher overall investment than guidance.
- Most of the increase in Traveler Safety investment is related increased safety improvements on a few larger projects in the STIP.
- Freight investment is under programmed because some of the projects are not on the state highway system.
- Higher investment in Pedestrian and Bicycle and Local Partnerships is due to federal solicitation projects.
- Project Delivery investment increased slightly in overall investment compared to funding guidance but remains just under the 20% of total program assumption in MnSHIP.

CHIP Investment:



MNDOT CONSTRUCTION SFY2024-SFY2027 OUTLOOK

(\$ IN MILLIONS)



*Actuals

2024-2027 STIP Investments - \$ in Millions (Excluding CoC and Bonds)				
Investment by Category	SFY 2024	SFY 2025	SFY 2026	SFY 2027
Pavement	461	546	476	615
Bridge	229	162	219	58
Safety	73	50	44	55
Major Construction	37	80	50	0
Other*	343	289	311	308
Total	1,143	1,127	1,100	1,036

*Other includes Bike Trails, Municipal Agreements, Consultant Agreements, Drainage, Enhancements, Local Partnerships, Miscellaneous Agreements, Noise Walls, Planning, Rest Area/Beautification, Right-of-Way, Supplemental Agreements/Cost Overruns, Traffic Management.

**CONSTRUCTION PROJECTS IN SFY2024
ESTIMATED COST >\$15M**

DIST.	ROUTE SYSTEM	SP	SFY	PROJECT DESCRIPTION	\$ IN MILLIONS
1	HWY I 35	5880-199	2024	I-35, NB & SB, FROM 1.0 MILES S OF JCT MN 48 TO 2.2 MILES N OF JCT MN 48, UNBONDED CONCRETE OVERLAY & REPL BR 9787 WITH NEW BR 58827 AND BR 9788 WITH NEW BR 58828 OVER GRINDSTONE RIVER & REPLACE BR 9789 WITH NEW BR 58829 & BR 9790 WITH NEW BR 58830 OVER THE BNSF RAILROAD & REHAB BR 9785.	28
1	US 169	6935-94	2024	NB US 169 IN CHISHOLM, 0.4 MI. W. CSAH 67 TO 0.07 MI. W. CSAH 109 IN MT IRON AND SB US 169 0.2 MI N. CSAH 5 TO 0.03 MI. S. CSAH 109 IN MT. IRON. COLD INPLACE RECYCLE (CIP) AND REHAB BR 69059, 69060 & 69076, & PEDESTRIAN ASSOCIABILITY IMPROVEMENTS AND SIDEWALK IMPROVEMENTS ALONG EMERALD AVENUE FROM US 169 TO ENTERPRISE DRIVE S IN MT. IRON.	16
2	MN 11	6803-40	2024	MN 11 IN WARROAD, FROM 0.1 MI W OF MN 313 (EMILY AVE) TO 0.1 MI E OF CSAH 5, URBAN RECONSTRUCT/MILL & OVERLAY, ADA, ROUNDABOUTS AT INTERSECTIONS TH 11/TH 313 & TH 11/LAKE ST.	17
2	MN 220	6017-45	2024	MN 220 FROM CSAH 19 (EAST GRAND FORKS) TO 0.3 MI S JCT CSAH 22, GRADING AND CONCRETE PAVEMENT AND INSTALL MOMENT SLAB FOR GUARDRAIL OVER BOX CULVERT BR 95119.	19
4	I 94	2180-125	2024	ON I94 WB, FROM W OF ALEXANDRIA TO DOUGLAS/TODD COUNTY LINE, UNBONDED OVERLAY, REPL BR 21815, 21816, 218817, 21817 WITH NEW BR 21831, 21832, 21833, 21834 AND BR REPAIR ON BR 21821A, 21819B, 21820B.	25
4	MN 108, US 59	5618-117	2024	ON US 59 AND MN 108, PELICAN RAPIDS COMPLETE STREET AND RESURFACE BR 5025 OVER THE PELICAN RIVER. ASSOCIATED TO MULTI-USE TRAIL AND SIDEWALK.	19
4	US 10	1401-177	2024	ON US 10, FROM 8TH STREET TO 14TH STREET, CONSTRUCT NEW UNDERPASS UNDER BNSF RR IN MOORHEAD.	121
6	I 90	2481-61	2024	I 90 WB FROM 0.75 MI W OF TH 109 (ALDEN) TO TH 13, UNBONDED CONCRETE OVERLAY AND BRS 24815, 24837, AND 24839.	19
6	I 90	5080-170	2024	AUSTIN REPL BR 6868 I90 WB OV CEDAR R., REPL BR 6869 I90 EB OV CEDAR R., REHAB BR 9178 I90 WB OV 6TH ST NE, REHAB BR 9179 I90 EB OV 6TH ST NE, REPL BR 9180 CSAH 45 OV I 90, REPL BR 9183 MN 105 OV I90, REPL BR 9201 US 218 S OV I90, REPL BRS 50803 AND 508004 US 218 N OV I90.	51
7	MN 4	4602-27	2024	MN 4, FRM CSAH 26 TO TH 60, COLD INPLACE RECYCLE, OVERLAY, REPL BR 8567, REHAB BRS 46003, 6504, 5965, DRAINAGE, SNOW FENCE, AND ADA.	21
7	MN 93	7212-21	2024	MN 93, FROM US 169 TO THE FLOOD WALL IN HENDERSON, RECONSTRUCT AND RAISE ROADWAY, DRAINAGE AND REPL BR 72005 (72016) AND ADD BRS 72017 AND 72X06.	34
M	MN 55	2723-144	2024	MN 55 (OLSON MEMORIAL HWY), FROM OLD ROCKFORD RD IN PLYMOUTH TO 0.1 MI E GENERAL MILLS BLVD IN GOLDEN VALLEY - PAVEMENT REHAB, REPAIR BR CULVERTS 6732 AND 6745, TMS AND ADD TURN LANE.	19
M	MN 65	0208-165	2024	MN 65 (CENTRAL AVE), FROM CSAH 10 (MOUNDS VIEW BLVD) IN SPRING LAKE PARK TO 217TH AVE IN EAST BETHEL - MEDIUM MILL AND OVERLAY, REPL BRS 6817 (NEW BRIDGE 02X06) AND 9417 (NEW BR 02X07) OVER COON CREEK, REPL BOX CULVERT BR 9465, ADA, SIGNAL REPLACEMENT.	41

**CONSTRUCTION PROJECTS IN SFY2025
ESTIMATED COST >\$15M**

DIST.	ROUTE SYSTEM	SP	SFY	PROJECT DESCRIPTION	\$ IN MILLIONS
1	I 35, MN 61	6925-145	2025	MN 61 (LONDON RD), NB AND SB, IN DULUTH, FROM 26TH AVE E. TO 0.14 MI. N. 60TH AVENUE E, MEDIUM MILL/OVERLAY, TRAIL, CONST ROUNDABOUTS AT 26TH AVE E., 40TH AVE E. & 60TH AVE E., AND I-35 SB JCT 21AVE E & 26TH AVE E. INSTALL INTERSTATE CLOSURE GATES.	17
2	MN 197	0416-55	2025	EB & WB, FROM 0.1 MI E OF HANNAH AVE TO 0.1 MI W OF GILLETT DR IN BEMIDJI, FULL URBAN RECONSTRUCTION	18
3	US 10	8001-44	2025	US 10, FROM 1.3 MI W OF CSAH 75 TO 3RD ST IN WADENA AND FROM WADENA CSAH 4 TO 0.4 MI E OF OINK JOINT RD, RECONSTRUCT AND FROM 3RD ST IN WADENA TO WADENA CSAH 4, LANE RECONFIGURATION & RABS AT US 10 & OTTERTAIL CSAH 92 AND US 10 & WADENA CSAH 54 (HARRY RICH DR).	47
4	I 94	5680-147	2025	ON I94 (EB), FROM 1.0 MILE W OF CSAH 11 TO 0.1 MILE W OF US 59 NEAR FERGUS FALLS, UNBONDED OVERLAY.	16
7	MN 22	0714-35	2025	MN 22, FROM 500' N OF CSAH 26 TO APPROXIMATELY 1600' S OF CSAH 57, FULL DEPTH RECLAIM AND OVERLAY; FROM APPROXIMATELY 1600' S OF CSAH 57 TO MN RIVER BR IN ST PETER, RECONSTRUCT, LIGHTING, REPL BR 8436; REHAB BR 07036, 40003; EXTEND BR 40X02 AND CONSTRUCT NEW BR 40X08.	40
7	MN 60	0708-47	2025	MN 60, FROM 0.4 MI W OF CR 20 TO 0.3 MI E OF CO RD 112. IN LAKE CRYSTAL, RECONSTRUCT, REHAB BR 07003, AND ADA, BOTH DIRECTIONS	17
8	MN 19	4204-40	2025	MN 19, 0.1 MILES E OF CHANNEL PARKWAY TO 0.1 MILES W. OF MARLENE STREET, PEDESTRIAN IMPROVEMENTS/BIKE LANE STRIPING & 0.1 MILES W. OF MARLENE STREET TO 0.03 MILES E. OF BRUCE STREET, RECONSTRUCT (MARSHALL)	28
8	US 71	3412-76	2025	US 71 SOUTHBOUND - S. JCT MN 23 TO N BUSINESS 71 SPLIT (R.P. 120+00.962 - R.P. 126+00.361), & MN 23 - 0.25 MILES W. OF CSAH 5 TO W. JCT US 71, UNBONDED CONCRETE OVERLAY	21
M	I 35W	1981-140	2025	I35W, FROM JCT 35E/35W TO 0.4 MI N OF CLIFF RD IN BURNSVILLE - MILL BITUMINOUS PAVEMENT, CONCRETE OVERLAY, RECONST CONCRETE PAVEMENT, RECONST BITUMINOUS PAVEMENT, REPL BR 6583, CONSTRUCT AUXILIARY LANES, CONSTRUCT ADDITIONAL SB EXIT AT CSAH 42, SIGNAL SYSTEM, CONTINUOUS ROADWAY LIGHTING, AND ADA IMPROVEMENTS, AND ON MN 13 AT I 35W - REPL BR 9779 AND BR 9780 AND INSTALL HIGH TENSION CABLE MEDIAN BARRIER.	99
M	I 394	2789-174	2025	I394, FROM PENN AVE TO 11TH ST N AND ON I94 FROM GLENWOOD AVE N TO I394 IN MPLS, REHAB 25 BRS ON I394 AND 6 BRS ON I94, LIGHTING, SIDEWALK, ADA.	67
M	I 94	6282-216	2025	I94, FROM WESTERN AVE TO MOUNDS BLVD AND I35E FROM 10TH ST TO JACKSON ST IN ST PAUL- REPAIR BRS 62703, 62706, 62889, 62877, 62898, 62888, 62891, 62894, 62893, PAINT BRS 62878, 62879; REPL SUPERSTRUCTURE ON BRS 9631 AND 9632.	17
M	MN 3	6217-51	2025	MN 3 (ROBERT ST), FROM MISSISSIPPI RIVER BRIDGE TO E 11TH ST IN ST PAUL. JURISDICTIONAL TRANSFER TO ST PAUL (\$5.32M JURISDICTIONAL TRANSFER)	15
M	US 169	7008-112	2025	US 169, 0.4 MI S OF MN 282 (2ND ST W)/CSAH 9 (QUAKER AVE) TO 0.2 MI N OF SYNDICATE ST IN JORDAN- CONSTRUCT INTERCHANGE AT CSAH 9 (QUAKER AVE), ROUNDABOUTS, SIGNALS, REHAB BR 6802, 8840 AND 70509, NEW BR 70052, 70556 AND 70J68	40
M	MN 97	8201-21	2025	MN 97 (SCANDIA TRAIL N), FROM 0.24 MI E I35 TO US 61 (FOREST BLVD N) IN FOREST LAKE - RECONSTRUCT PAVEMENT, TRAIL.	16
M	US 61	6221-107	2025	US 61 (ARCADE ST) FROM E 7TH ST TO 0.2 MI S ROSELAWN AVE IN MAPLEWOOD AND ON MN 5 FROM E END BR 62703 TO MINNEHAHA AVE IN ST PAUL - IMPROVE PAVEMENT CONDITIONS, STORMWATER DRAINAGE, CORRIDOR SAFETY, WALKABILITY, TRAFFIC SIGNALS, LANDSCAPING, TRAILS, BUS STOPS, LIGHTING, AND SIDEWALK CURB RAMPS.	31

CORRIDORS OF COMMERCE (COC) PROGRAM

2023 COC Project Selection

During the 2023 Legislative Session, an additional \$153 million of trunk highway bonds were added to the Corridors of Commerce program. The additional \$153 million brought the total funding available up to \$403 million. Eight projects were selected for Corridors of Commerce funding in June of 2023 for a total of \$381 million (listed below). The remaining \$22 million will be reserved for project readiness activities for potential future Corridors of Commerce candidate projects.

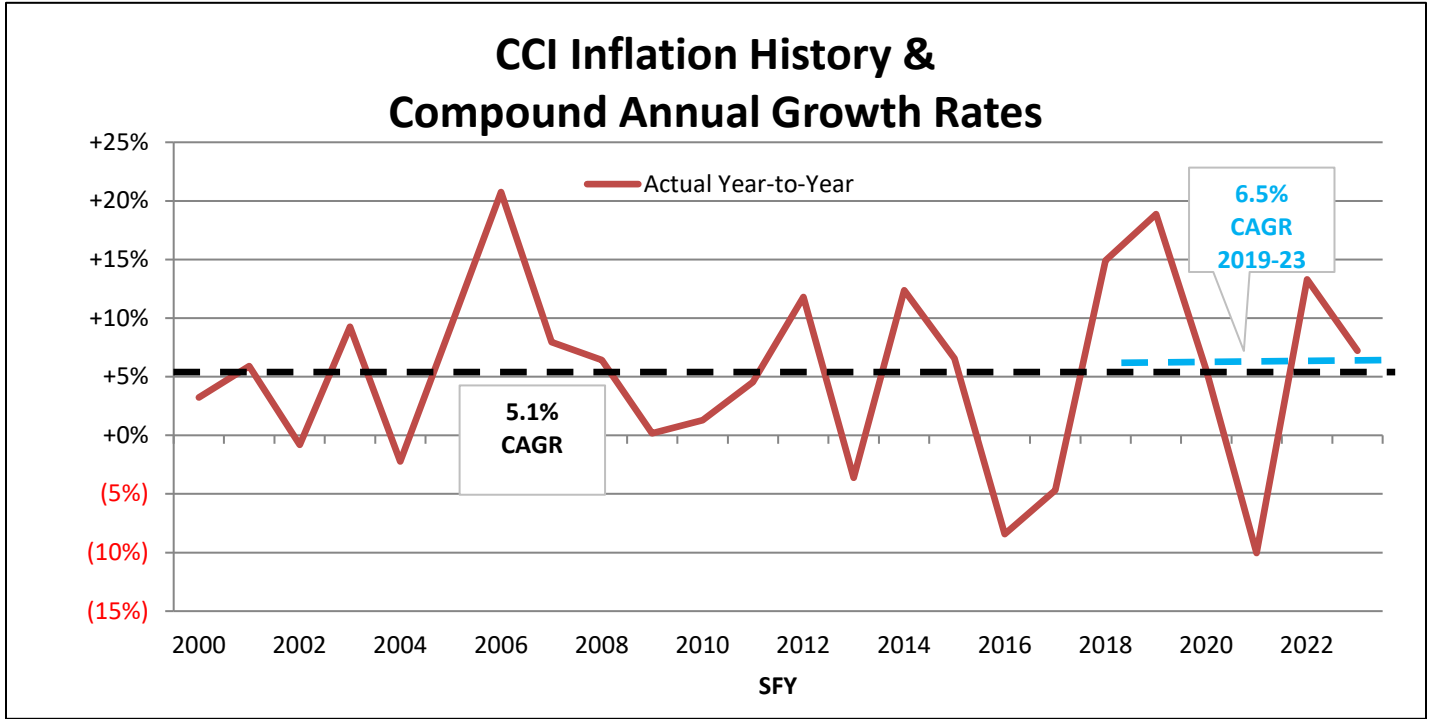
GEOGRAPHIC REGION	ROUTE	PROJECT DESCRIPTION	FUNDING AWARD	PROJECT STATUS
Metro District	Highway 10	Lane expansion Highway 10 in Coon Rapid from CSAH 78 to CSAH 9	\$8,000,000	In design, anticipated letting Summer 2024
Metro District	Highway 13	Grade separation Highway 13 in Savage/Burnsville from Quentin Avenue to Nicollet Avenue	\$96,000,000	In preliminary design
Metro District	Highway 65	Grade separation Highway 65 in Blaine from 103rd Avenue to 117th Avenue	\$30,000,000	In preliminary design
Greater Minnesota	Highway 53	Roadway improvements to Highway 53 from Eveleth to Virginia	\$18,000,000	In design, anticipated letting Winter 2025
Greater Minnesota	I-94	Lane expansion on I-94 from Albertville to Monticello	\$78,000,000	In design, anticipated letting Spring 2024
Greater Minnesota	Highway 371 & 210	Construct grade separation in Baxter	\$58,000,000	In preliminary design
Greater Minnesota	Highway 14	Construct grade separation in Byron/Rochester	\$60,000,000	In preliminary design
Greater Minnesota	Highway 23	Construct grade separation in New London	\$33,000,000	In preliminary design
Total			\$381,000,000	

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

www.dot.state.mn.us/corridorsofcommerce/index.html

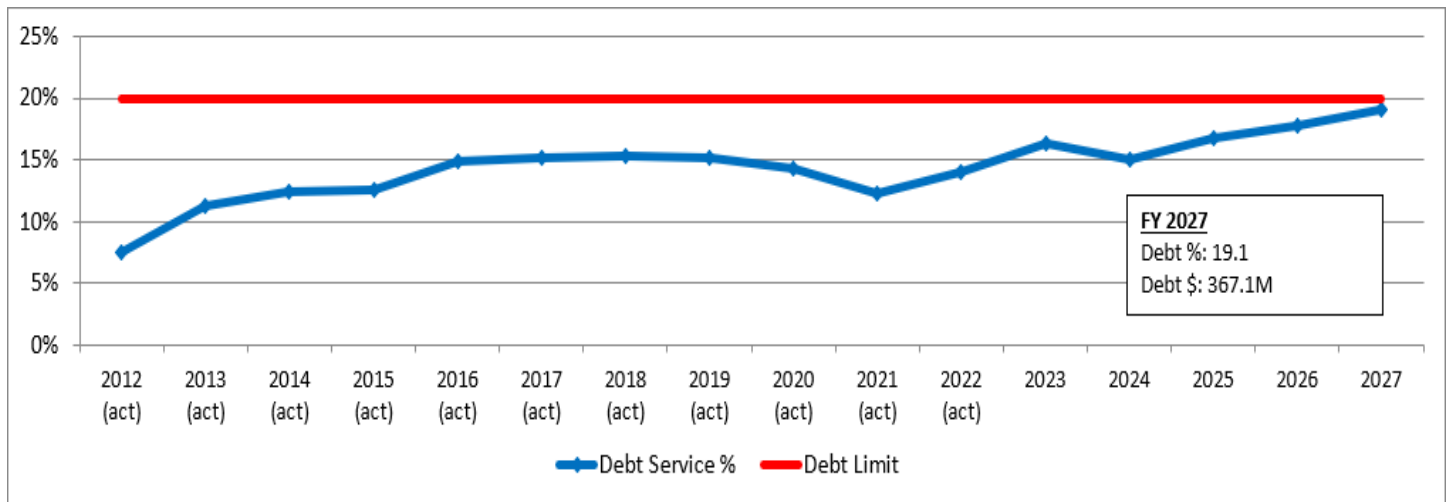
CONSTRUCTION COST INDEX (CCI) INFLATION PROJECTIONS

Headline SFY 2023 CCI inflation of +7% signals a noticeable slowing from the prior double-digit reading. Five points (or $\frac{2}{3}$) of the net price increase is attributable to bituminous surfacing, with reinforcing steel and concrete surfacing each adding another point (changes to roadway excavation and structural concrete prices neutralized each other). For the fifth straight year, $\frac{3}{4}$ + of last year's index-eligible construction program went for pavement projects, including a greatly expanded concrete surfacing portfolio—more than doubling in volume over SFY 2022.



Construction Inflation Forecast			
SFY	(1) Oct. 2022 STIP+6 Recommendation	(2) Oct. 2023 STIP+6 Recommendation	(3) Oct. 2023 CAGR Recommendation
2024	+1%	+4%	+4%
2025	+2%	+1%	
2026	+3%	+3%	
2027	+4%	+4%	
2028	+4%	+4%	
2029 – 2034	+4%	+4%	

DEBT SUMMARY AS OF END OF SESSION 2023 FORECAST



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