



MnDOT State Construction Program Outlook

Transportation Alliance Annual Meeting 2017

State Highway Construction Program Outlook

- 2017 Transportation Bill
- Construction Program Outlook
- Debt service level
- Project Selection Policy
- Corridors of Commerce Program
- Reports to Legislature

Special Session Chapter 3

****17NEW** Projects**

- FY2018 – FY2022 “New Money” includes:
 - One-Time increase in Trunk Highway Funds (\$134 M)
 - New Non-Designated Bonds (\$640 M)
 - Corridors of Commerce Trunk Highway Funds (\$50 M)
 - Corridors of Commerce Bonds (\$300 M)
- FY2018 – FY2022 “Additional Capacity” includes:
 - Previous Non-Designated Bonds Releases (\$85 M)
 - Previous Corridors of Commerce Bonds Release (\$19 M)
 - Carryover Federal Funds (\$60 M)

FY18-22 Capital Program Funding

Revenue Source	FY2018	FY2019	FY2020	FY2021
Regular Program and New Program Funding				
Regular State Road Construction (SRC)	\$911 M	\$842 M	\$842 M	\$842 M
Carryover (FY18 ELLAs funded in FY17 & End of Year adjustments)	\$60 M			
Chapter 152 Bond Release	\$35 M	+\$25M		
Chapter 5 Bond Release	\$25 M			
Chapter 3 One-Time Increase in SRC	\$92 M	\$42 M	\$23 M	\$7 M
Chapter 3 Bonds	\$100 M	\$100 M	\$220 M	\$220 M
Corridors of Commerce				
Chapter 117 Bonds (approved for I-35W MnPASS)	\$19 M			
Chapter 3 TH Funds	\$25 M	\$25 M	\$25 M	\$25 M
Chapter 3 Bonds	\$50 M	\$50 M	\$100 M	\$100 M

Regular Program includes: Federal and State SRC, Chapter 152 Program

2017 New Funding (17NEW) includes: Chapter 3 One-Time SRC, Chapter 3 Bonds, Uncommitted Chapter 152 and Chapter 5 Bonds

Corridors of Commerce I includes: Chapter 117 Bonds

Corridors of Commerce III includes: Chapter 3 CoC TH Funds, and Chapter 3 CoC Bonds

New Money Distribution

- Distribution based on existing distribution formulas for District Risk Management Program and Statewide Performance Programs.

Distribution of Estimated \$960 M (Does not include Corridors of Commerce Funding)										
	D1	D2	D3	D4	D6	D7	D8	MD	SW	Total
District Project Target	\$115 M	\$53 M	\$86 M	\$56 M	\$90 M	\$93 M	\$50 M	\$406 M	\$12 M	\$960 M

Project Target includes funds for Construction Cost, Project Delivery, Construction Engineering, Incentives, and Right-of-Way

Investment Priorities

- Long-term pavement preservation projects to improve pavement condition and remaining service life
- Additional bridge repairs 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

Public and Stakeholder Involvement

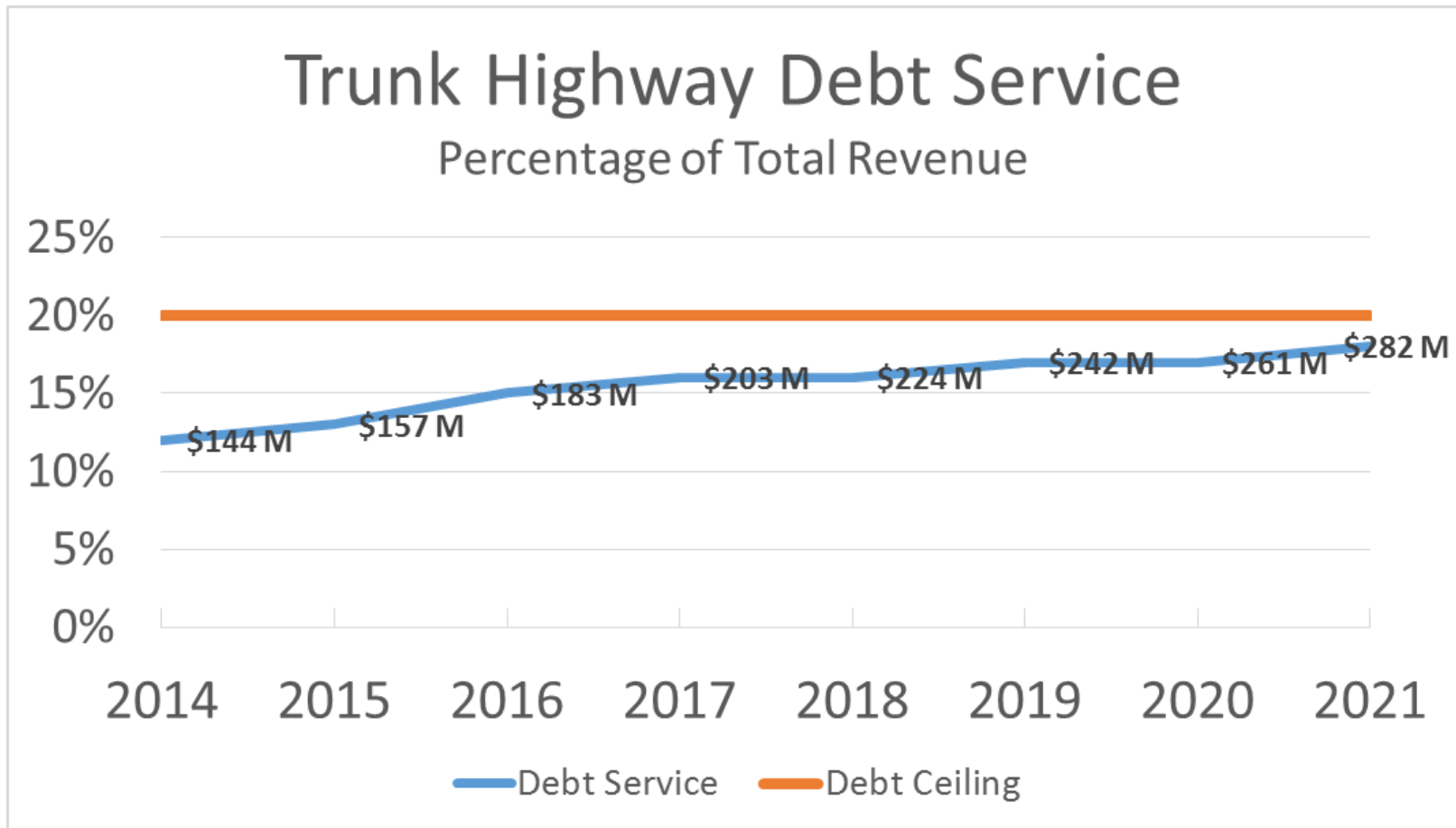
- Where local partners could not accommodate an accelerated schedule, those projects were not chosen for 2018.
- Project candidates for state fiscal years 2019-2021 or beyond are being vetted by the Districts
- Projects for Corridors of Commerce will be selected following the process in Minnesota Statutes, 161.088 and announced in February 2018.

Timeline for Adding New Projects

- November 2017 – New FY2018 Projects added to STIP
- Now-April – Districts seek Stakeholder input
- January 2018 – Preliminary List of FY19–22 Projects
- April 2018 – All New Projects in the draft FY2019-FY2022 STIP

Debt Service

Debt Service



Source: MnDOT Financial Snapshot

[http://www.dot.state.mn.us/funding/documents/mndot-financialsnapshot,eos2017forecast\(updated8-24-17\).pdf](http://www.dot.state.mn.us/funding/documents/mndot-financialsnapshot,eos2017forecast(updated8-24-17).pdf)

Construction Outlook

Construction Outlook

STATE OF MINNESOTA

2018-2021

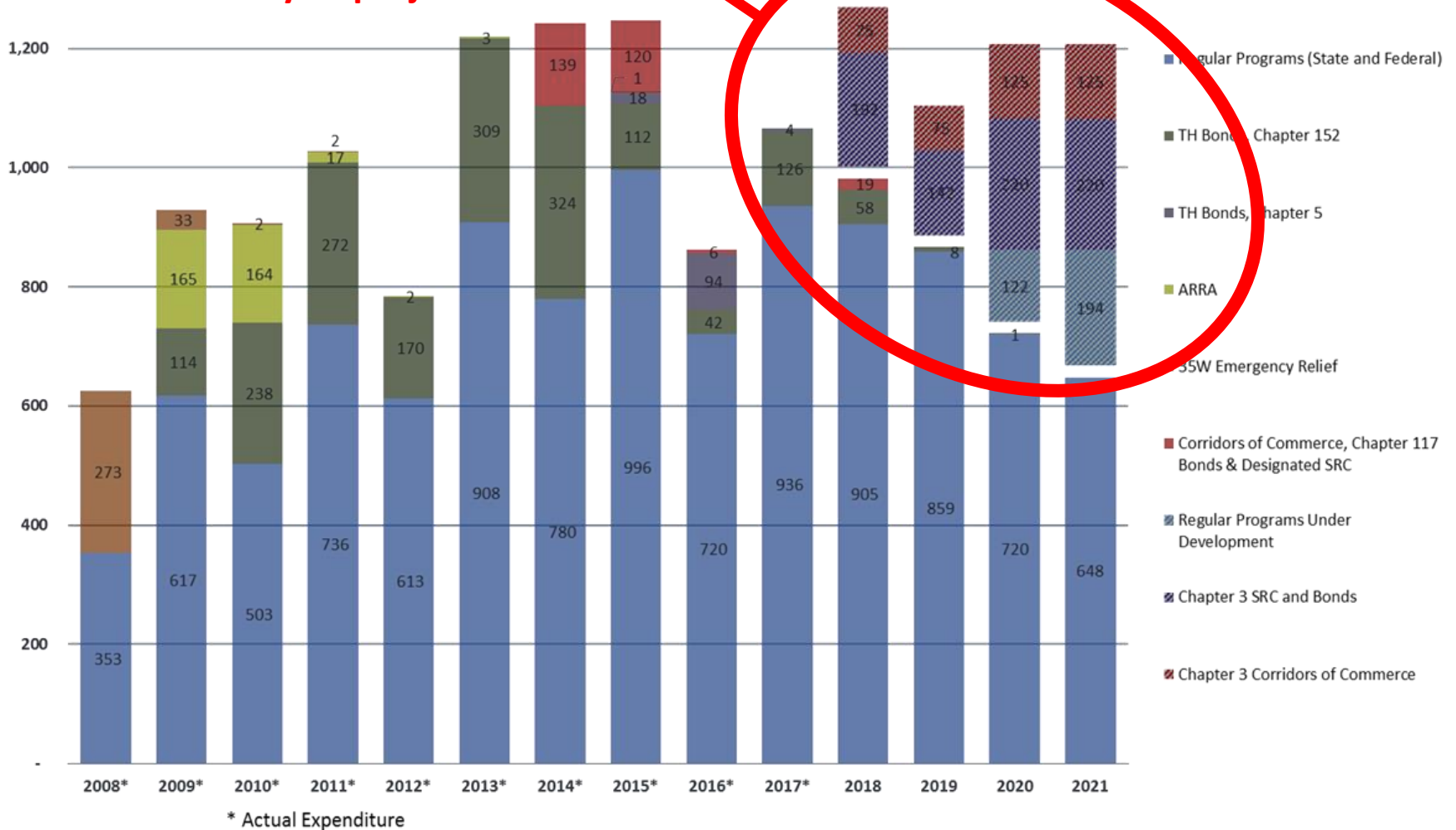
**STATE TRANSPORTATION
IMPROVEMENT PROGRAM
(STIP)**



SEPTEMBER 2017

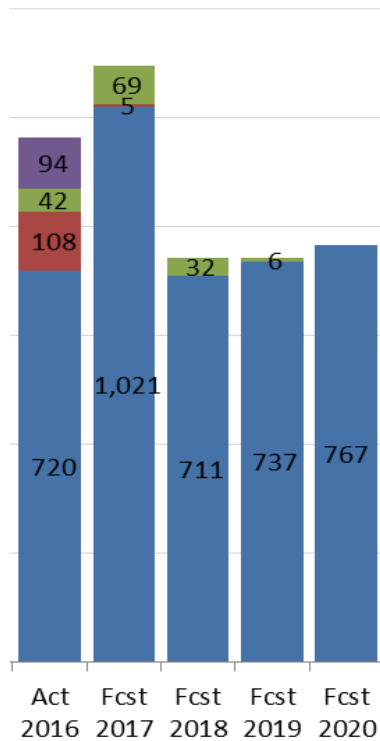
2017 Construction Outlook

The amounts and sources for 2017 new funds will vary as projects are selected.

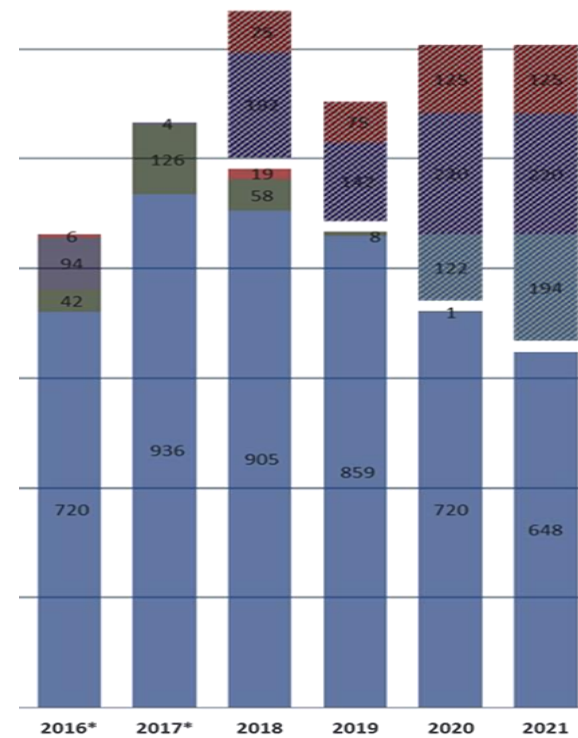


Construction Outlook

2016

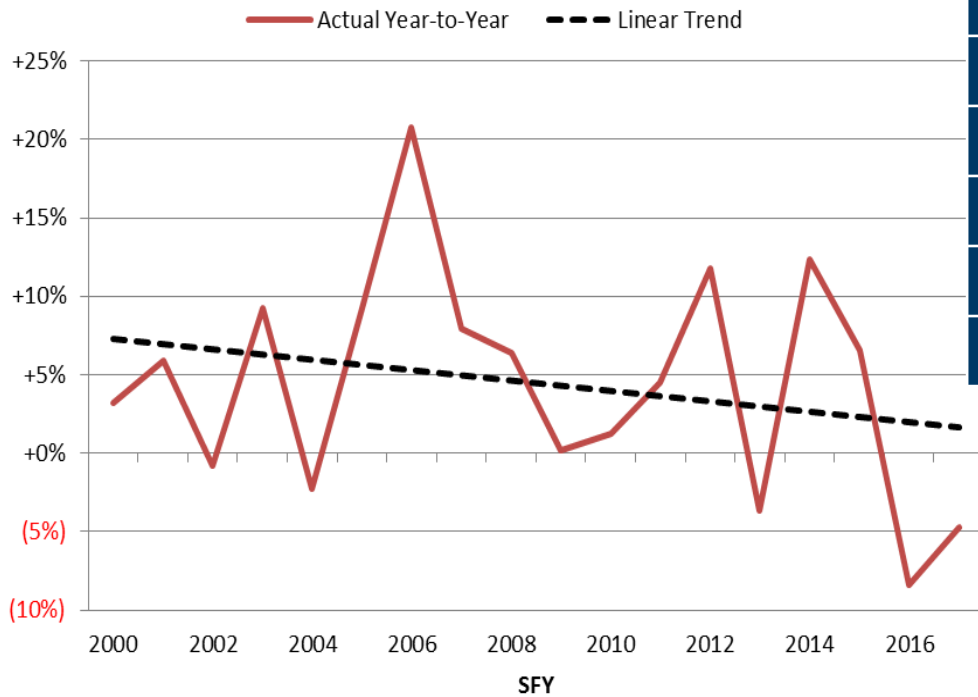


2017



Construction Cost Inflation

CCI Inflation History & Regression Trend



SFY	Oct. 2017 STIP+6 Recommendation
2018	+3%
2019	+6%
2020	+5%
2021	+4%
2022	+4%
2023 – 2028	+3%

Construction Projects in FY18 and FY19 from 2018-2021 STIP*

Estimate Cost > \$15 Million

Route	STIP Year	Description	Project Total (in millions)**
MN 72	2018	REPLACE HWY 72 INTERNATIONAL BRIDGE OVER RAINY RIVER IN BAUDETTE	16
US 14	2018	REPLACE BRIDGES OVER MN RIVER AND DME RR, IMPROVE PEDESTRIAN ACCESS IN NEW ULM, AND CONSTRUCT A NEW INTERCHANGE AT INTERSECTION OF HIGHWAY 15/ COUNTY ROAD 21	35
US 169	2018	RESURFACE NB LANES FROM UNION ST IN ST PETER TO HWY 93 AT LE SUEUR	21
US 12	2018	RAILROAD BYPASS ON WEST SIDE OF WILLMAR, RECONSTRUCTION WITH NEW BRIDGES OVER HWY 40 AND NEAR TOWNSHIP RD 26	32
I 35	2018	RESURFACE ROAD, REPLACE/REHAB BRIDGES - ON I-35E FROM 0.6 MILES NORTH OF 80TH ST EAST TO I-35E/I-13W/I-15 MERGE AND ON I-35W FROM 2.3 MILES NORTH OF MAIN STREET IN LINO LAKES TO I-35E/I-35W/I-35 MERGER; AND AT FOREST LAKE WEIGH STATION REPLACE ENFORCEMENT SYSTEM AND IMPROVE ENTRANCE AND EXIT RAMP	61
I 35W	2018	REPLACE BRIDGE OVER MINNESOTA RIVER FROM BLACK DOG ROAD IN BURNSVILLE TO 106TH STREET IN BLOOMINGTON	140
MN 149	2018	REPAIR MISSISSIPPI RIVER BRIDGE AND APPROACHES INCLUDING PEDESTRIAN RAMPS	37
US 169	2018	RESURFACE AND REPAIR CONCRETE AND REPAIR DRAINAGE FROM 0.3 MILES NORTH OF MN HWY 19 TO 0.1 MILES NORTH OF ASH STREET IN BELLE PLAINE	19
US 169	2018	RESURFACE, CLOSE MEDIAN AND ADD U-TURN LANES, REDUCED CONFLICT INTERSECTION AND CABLE BARRIER FROM MN HWY 25 TO MN HWY 282	16
I 494	2019	RESURFACE, CONSTRUCT AUXILIARY LANE, REPAIR BRIDGE AND CONSTRUCT RETAINING WALL AND NOISE WALL, INSTALL LIGHTING, SIGNS AND TRAFFIC MANAGEMENT SYSTEM, REBUILD STORM SEWER AND IMPROVE DRAINAGE FROM HARDMAN AVENUE IN SOUTH ST. PAUL TO BLAINE AVENUE EAST IN INVER GROVE HEIGHTS	19
I 694	2019	RESURFACE, REPAIR 2 BRIDGES, RECONSTRUCT RAMP FROM 0.1 MILE SOUTH OF 10TH STREET IN OAKDALE TO 0.1 MILE SOUTH OF TAMARACK ROAD IN WOODBURY	30
I 35W	2019	FROM 4TH ST SE IN MPLS TO ROSEGATE IN ROSEVILLE - BITUMINOUS MILL AND OVERLAY, ADA	17
I 35W	2019	CONSTRUCT INFRASTRUCTURE LANE, RESURFACE, REPAIR/REPLACE BRIDGES. PROJECT ON I-35W IS FROM COUNTY ROAD B-2 IN ROSEVILLE TO 0.1 MILE NORTH OF SUNSET AVENUE IN LINO LAKES. ON US 10, PROJECT IS FROM JUNCTION WITH I-35W TO 0.7 MILES EAST OF COUNTY ROAD J.	208

Capital Improvement Program (C.I.P)

**Minnesota Department of
Transportation**



**2017-2020
State Highway
Capital Improvement Program
(CIP)**

Capital Improvement Program (C.I.P)

District 2 2017 to 2020 State Highway Capital Improvement Program

High way	Ref #	Description	Previous Years Funding	FY 2017	FY 2018	FY 2019	FY 2020	Future Years Funding	Funding from Others	Project Total
Projects										
1	0404-34	Resurface between Hwy 72 and Red Lake Indian Reservation					\$2,400,000			\$2,400,000
1	4501-49	Resurface Hwy's 1 and 75 in Warren; improve pedestrian accessibility in Warren and Argyle					\$1,270,000		\$17,000	\$1,287,000
1	4509-05	Replace bridge over the Red River near Oslo		\$1,500,000	\$8,500,000				\$7,500,000	\$17,500,000
1	5701-31	Reconstruct intersections and resurface between Hwy 59/CR 16 to Kinney Ave in Thief River Falls					\$3,000,000			\$3,000,000
1	5702-44	Reconstruct Hwy 1 and resurface Hwy 59, improve pedestrian accessibility in Thief River Falls		\$3,046,000					\$300,000	\$3,346,000
2	0406-60	Resurface pavement and six bridges on Hwy 2 bypass in Bemidji		\$6,800,000						\$6,800,000

Project Selection Policy

OLA Audit Findings

“MnDOT does not provide sufficient information about its project-selection decisions to the public or interested stakeholders.”

“MnDOT publishes lists of the projects it plans to construct, but it does not publish information about how these decisions were reached or what alternatives were considered. Without that basis for comparison, it is difficult for those outside of MnDOT to understand or assess its decisions.”

The commissioner of transportation, after consultation with the Federal Highway Administration, metropolitan planning organizations, regional development commissions, area transportation partnerships, local governments, the Metropolitan Council, and transportation stakeholders, must develop, adopt, and implement a policy ...

For each selection process, the policy adopted under this section must...establish a process that identifies criteria, the weight of each criterion, and a process to score each project based on the weighted criteria;

*The commissioner must submit a report... concerning the adopted policy and how the policy is anticipated to improve the **consistency, objectivity, and transparency** of the selection process.*

<https://www.revisor.mn.gov/laws/?year=2017&type=1&doctype=Chapter&id=3>

Discussion Questions:

- Do you know how project selection decisions are made at MnDOT and who does them?
- From where do you get your information or understanding about MnDOT's project selection?
- Is the information provided by MnDOT for project selection understandable and helpful to you and/or your constituents? Is it adequate for your needs?
- If you could have more information on project selection, what would you want?

Corridors of Commerce

Corridors of Commerce Project Selection

Project Eligibility

- [projects are eligible if] *project construction work will commence within three years, or a longer length of time, as determined by the commissioner*
- *For each project, the commissioner must consider all of the eligibility requirements under paragraph (a). The commissioner is prohibited from considering any eligibility requirement not specified under paragraph (a).*

Corridors of Commerce Project Selection

Project Selection

- *The commissioner must establish a process to identify, evaluate, and select projects under the program. The process must be consistent with the requirements of this subdivision and must not include any additional evaluation criteria.*
- *For each eligible project, the commissioner must classify and evaluate the project for the program, using all of the criteria established under paragraph (c).*

Corridors of Commerce Statutory Evaluation Criteria

1. Return on Investment (travel time and safety benefits)
2. Impacts on commerce and economic competitiveness
3. Efficiency of freight movement
4. Traffic safety
5. Connections to regional trade centers
6. Addresses multiple objectives
7. Support and consensus from the surrounding community
8. Geographic balance

Corridors of Commerce Project Selection

Project Selection

- *(8) regional balance throughout the state.*
- *The list of all projects evaluated must be made public and must include the score of each project.*
- Also added some additional content for the report to the legislature.

Corridors of Commerce Project Selection

- December – post the new selection criteria, formula, and scores from some prior candidate projects
- December/January - invitation to the public to make recommendations
- Will hold one selection process for all \$400 million
- January – project scoring by MnDOT
- February – announce project selections

Legislative Reports

Inflation Study

The commissioner of transportation must enter into an agreement with an organization or entity having relevant expertise to conduct a study on highway construction costs, inflation, and cost estimating. The study must be designed to identify and analyze the nature of discrepancies in highway construction costs and cost inflation estimates between Minnesota and other federal and national measures.

Cost Estimating Study

The commissioner of transportation must report ... the estimated cost of projects and the actual cost of projects... completed in whole or in part by MnDOT from July 1, 2012, to July 1, 2017. For each project, the report must list the estimated cost of the project prior to starting the project and the total actual cost for the project after completion. For each project, if the actual cost was less than the estimated cost, the report must explain how the excess funds were expended.

Turnback Program Study

The commissioner of transportation must report on the turnback program, including:

- proposed turnbacks
- costs
- selection process
- funding history

The commissioner of transportation must report concerning MnPASS lanes and tolling to reduce congestion and raise revenue.

Thank You!

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