

# Transportation

# Projects Summary

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2016	2018	2020	2016	2018	2020
Rail Grade Separation on Crude Oil Rail Lines Program	1	GO	69,624	70,000	70,000	69,624	70,000	70,000
Rail Quiet Zones	2	GO	10,000	10,000	10,000	10,000	10,000	10,000
Highway/Railroad Grade Crossing - Warning Devices Replacement	3	GO	12,000	12,000	12,000	5,000	5,000	5,000
State Plane Purchase	4	GF	10,000	0	0	0	0	0
Local Bridge Replacement Program	5	GO	100,000	100,000	100,000	0	0	0
Stone Arch Bridge	6	GF	2,500	0	0	0	0	0
Local Road Improvement Fund Grants	7	GO	100,000	100,000	100,000	0	0	0
Safe Routes To School Infrastructure Program	8	GO	3,000	3,000	3,000	0	0	0
Facilities Capital Program	9	THB	40,000	40,000	40,000	0	0	0
		THC	0	0	0	40,000	40,000	40,000
Port Development Assistance Program	10	GO	10,000	10,000	10,000	10,000	10,000	10,000
Passenger Rail Program	11	GO	21,000	0	0	1,000	1,000	1,000
Historic Bridge Program	12	GO	20,000	10,000	10,000	0	0	0
Minnesota Rail Service Improvement Program	13	GO	2,000	2,000	2,000	0	0	0
<b>Total Project Requests</b>			<b>400,124</b>	<b>357,000</b>	<b>357,000</b>	<b>135,624</b>	<b>136,000</b>	<b>136,000</b>
<b>General Obligation Bonds (GO) Total</b>			<b>347,624</b>	<b>317,000</b>	<b>317,000</b>	<b>95,624</b>	<b>96,000</b>	<b>96,000</b>
<b>General Fund Cash (GF) Total</b>			<b>12,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Trunk Highway Bonds (THB) Total</b>			<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Trunk Highway Cash (THC) Total</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>

<http://www.mndot.gov>

**AT A GLANCE**

- Over 142,000 miles of road including trunk highways and local roads
- 5<sup>th</sup> largest state highway system in the nation
- Over 4,800 bridges on the state system
- 155 million miles driven by Minnesotans per day
- 50% of state highways and 35% of state bridges are more than 50 years old
- 100% of Twin Cities metro counties have public transit service
- 98% of non-metro counties have public transit service
- Truck freight traffic projected to increase 30% by 2030

We work with our partners to support:

- 4,500 track miles serving 19 railroad companies, Northstar commuter and Amtrak passenger service
- 4 Lake Superior and 5 Mississippi River ports
- 135 state-funded airports

**PURPOSE**

The Minnesota Department of Transportation's (MnDOT) vision is a multimodal transportation system which maximizes the health of people, the environment and the economy. Our transportation system is a vital part of keeping Minnesotans connected.

Our mission is 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.

Our core values are safety, excellence, service, integrity, accountability, diversity and inclusion. We continually strive to improve, meet customer needs, get the most from every dollar, and be transparent about progress and use of public funds.

Our funding is organized across four programs with 13 budget activities.

**Multimodal Systems Program**

Aeronautics  
 Transit  
 Freight and Commercial Vehicle Operations  
 Passenger Rail

**Local Roads Program**

County State Aid Roads  
 Municipal State Aid Roads

**State Roads Program**

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

**Agency Management Program**

Agency Services  
 Building Services

**STRATEGIES**

MnDOT runs the equivalent of a multi-billion dollar project execution and services business to plan, build, operate and maintain our transportation system. Since transportation funding comes from the public through fees and taxes, citizen stakeholders naturally insist on sound financial management systems and practices that ensure those resources are used efficiently for maximum effect and maximum value. We are committed to earn or reinforce stakeholder trust and confidence in us by demonstrating effective and efficient stewardship of public resources.

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

1. **Accountability, Transparency and Communication:** Ensure efficient and effective use of available resources to achieve the most value on transportation investments, including completing projects on time and within budget as well as performing timely and efficient operations and maintenance. <http://www.dot.state.mn.us/getconnected/>
2. **Traveler Safety:** Ensure the safety of all who use the system by partnering with the Minnesota Department of Public Safety and Minnesota Department of Health on Toward Zero Deaths, the state's cornerstone traffic safety initiative. <http://www.minnesotatzd.org/>
3. **Transportation in Context:** Consider context when making transportation decisions. This will lead to projects that are safer, sustainable in scale and tailored to the specific place in which they exist. Also, projects that respect and complement the economy, environment, and integrate land uses and leverage both public and private investments.
4. **Critical Connections:** Connect key regional centers through multiple transportation modes to improve Minnesotans' prosperity and quality of life. While doing this, we strive to maximize return on investment over the lifecycle of any expansion to the system given constrained resources.
5. **Asset Management:** Operate, maintain and upgrade transportation assets in a systematic and cost-effective manner over their lifetime.
6. **System Security:** Maintain the system to provide essential travel needs and safe recovery during times of emergency and disruptive weather.

The Minnesota Department of Transportation requires that the principles of "Complete Streets" are to 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>

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The Department of Transportation's legal authority comes from:

[Minnesota Constitution, Article XIV, Public Highway System](#)

([https://www.revisor.mn.gov/constitution/#article\\_14](https://www.revisor.mn.gov/constitution/#article_14))

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### At A Glance

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

- **Accountability, Transparency and Communication:** Ensure efficient and effective use of available resources to achieve the most value on transportation investments, including completing projects on time and within budget as well as performing timely and efficient operations and maintenance. <http://www.dot.state.mn.us/getconnected/>
- **Traveler Safety:** Ensure the safety of all who use the system by partnering with the Minnesota Department of Public Safety and Minnesota Department of Health on Toward Zero Deaths, the state's cornerstone traffic safety initiative <http://www.minnesotatzd.org/>
- **Transportation in Context:** Consider context when making transportation decisions. This will lead to projects that are safer, sustainable in scale and tailored to the specific place in which they exist. Also, projects that respect and complement the economy, environment, and integrate land uses and leverage both public and private investments.
- **Critical Connections:** Connect key regional centers through multiple transportation modes to improve Minnesotans' prosperity and quality of life. While doing this, we strive to maximize return on investment over the lifecycle of any expansion to the system given constrained resources.
- **Asset Management:** Operate, maintain and upgrade transportation assets in a systematic and cost-effective manner over their lifetime.
- **System Security:** Maintain the system to provide essential travel needs and safe recovery during times of emergency and disruptive weather.

### Factors Impacting Facilities or Capital Programs

MnDOT manages several capital programs and facilities that widely impact traveler safety, critical connections, system security and asset management across the state. Impacting factors are described briefly by program.

**Rail Grade Separations on Crude Oil Rail Lines Program** increased rail traffic has raised community concerns with safety, emergency response, and accessibility.

**Highway/Railroad Grade Crossing Safety Program** has a need for repair or replacement of aging warning devices to maintain safety and security.

**Local Bridge Replacement Program** continues to struggle to keep up with the deficient bridges on local road systems that cannot be sufficiently funded locally and have no funding sources other than the state capital program.

**Stone Arch Bridge** is one of MnDOT's most highly visible assets in need of major structural repairs and delay in these repair costs will continue to escalate over time.

**Local Road Improvement Fund Grants** for Rural Road Safety Projects, Routes of Regional Significance Projects and the local share of trunk highway improvements.

**Safe Routes to School Program** has an increase funding demand to address ADA requirements and heightened interest in healthy living

**Facilities Capital Program** has facility and capital needs to meet changing equipment and building code requirements.

**Port Development Assistance Program** like many programs is facing aging infrastructure and increased demand to move freight.

**Passenger Rail Program** request to provide non-federal matching funds for implementation of passenger rail service along several corridors.

**Historic Bridge Program** These projects provide critical connections on routes that are well established but do not compete well with higher traffic counterparts for local bridge bond funds.

**Minnesota Rail Service Improvement Program:** Aging infrastructure, increased traffic and load sizes are stressing these systems. Capital funding is often the only possibility for projects to progress.

### **Self-Assessment of Agency Facilities and Assets**

The Program requests are summarized based on the following key categories: Traveler Safety and System Security, Critical Connections, and Asset Management.

***Traveler Safety and System Security are of the utmost importance to MnDOT. In order to advance these priorities, MnDOT requests the following:***

**Rail Grade Separations on Crude Oil Rail Lines:** The increased rail traffic greatly expands the probability of major accidents. Tracks often run through communities, high traffic and trains sitting on tracks cut off parts of communities from emergency vehicles. A legislative study requested in 2014 identified a number of safety improvements.

**Highway/Railroad Grade Crossing-Warning Device Replacement:** Approximately 1,400 warning devices exist and rapid advancements in technology have made older devices difficult to repair. Devices seen as unreliable attribute to accidents as travelers ignore the warning signals.

**Local Bridge Replacement Program:** There are approximately 1,761 local bridges that are deficient and of these local governments have prioritized 1,193 to be replaced over the next 5 years.

**Local Road Improvement Program:** Safety is a growing issue on local roads due to increased speeds and average daily traffic (ADT). Populations have often outgrown the local road system and the local budget.

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

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

**Local Bridge Replacement Program:** Critical connections often are linked by a bridge that has a lessor capacity than the road system, these projects strengthen the connections alleviating detours and creating continuity.

**Stone Arch Bridge:** This pedestrian structure connects downtown Minneapolis with the University of Minnesota campus and other area attractions. It is a high visibility landmark for the state and each year the repairs are delayed the costs grow.

**Local Road Improvement Program:** Rural roads are the connection between shipping hubs and commerce, keeping them safe and navigable improves local business and tourism.

**Safe Routes to School Program:** Safe travel from home to school using a healthy option is vital to the state's youth. Increasing these opportunities is a great enhancement to a community.

**Port Development Assistance:** 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.

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

**Historic Bridge Program:** These projects provide critical connections on routes that are well established but do not compete with higher traffic counterparts for local bridge bond funds.

**Minnesota Rail Service Improvement:** Local shippers make capital improvements to strengthen routes to and from markets.

***Asset management is extremely important for MnDOT. The road and bridge infrastructure system statewide is a compelling example of their need to manage assets through timely preventative maintenance and rehabilitation, as well as replacement. Many of these projects are more costly than the local or state government budget can bear and capital funding is pivotal for progress.***

**Highway/Railroad Grade Crossing-Warning Device Replacement:** Modernization of these devices is more cost effective than complete replacement with limited funding they are prioritized to maximize the asset life.

**Local Bridge Replacement Program:** Bridges are one of the primary assets within the state infrastructure system and also one of the most costly to rehabilitate or replace. Capital funding assistance is often the only way the projects will move forward.

**Stone Arch Bridge:** One of MnDOT's most highly visible assets has been in need of major structural repairs for some time and the costs only escalate with time.

**Local Road Improvement Program:** Projects that increase safety on county roads also add life to the asset.

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

**Port Development Assistance:** Public ports need the support of capital funding to insure they can remain functional.

**Historic Bridge Program:** A new program request for this year is to express the need for attention to these historic assets in Minnesota communities. Creating a separate funding source for them will allow them to be prioritized based on their specialized needs.

**Minnesota Rail Service Improvement:** Aging infrastructure, increased traffic and load sizes are stressing these systems. Capital funding is often the only possibility for projects to progress.

### **Agency Process for Determining Capital Requests**

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

## **Major Capital Projects Authorized in 2014 & 2015**

### **Rail Grade Separations on Crude Oil Rail Lines**

The 2014 legislature authorized:

- \$2 million in general funds

The 2015 legislature authorized:

- \$5.16 million in general obligation bonds

### **Highway/Railroad Grade Crossing-Warning Device Replacement**

The 2014 legislature authorized:

- \$2 million in general obligation bonds

The 2015 legislature authorized:

- \$5 million in general funds

### **Local Bridge Replacement Program**

The 2014 legislature authorized:

- \$12.3 million in general obligation bonds
- \$20.7 million general funds

The 2015 legislature authorized:

- \$7.4 million in general obligation bonds

### **Local Road Improvement Program**

The 2014 legislature authorized:

- \$10 million in general obligation bonds
- \$30 million general funds

The 2015 legislature authorized:

- \$8.9 million in general obligation bonds

### **Safe Routes to School Program**

The 2014 legislature authorized:

- \$1 million in general funds

The 2015 legislature authorized:

- \$.5 million in general funds

### **Facilities Program (Program based funds have not been authorized, only project basis)**

The 2014 legislature authorized:

- \$4.37 million trunk highway fund cash – Willmar District Headquarters
- \$3.58 million trunk highway fund cash – Little Falls Truck Station

### **Port Assistance Development**

The 2014 legislature authorized:

- \$2 million general obligation bonds

The 2015 legislature authorized:

- \$3 million general obligation bonds

### **Agency Contact Person, Title and Phone**

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**Rail Grade Separation on Crude Oil Rail Lines Program**

**AT A GLANCE**

<b>2016 Request Amount:</b>	\$69,624
<b>Priority Ranking:</b>	1
<b>Project Summary:</b>	\$69.624 million in state funds requested to construct grade separations at highway-railroad grade crossings along crude oil corridors in which oil or other hazardous materials are transported and minimal operational funds.

**Project Description**

This capital request will provide \$69.624 million to construct grade separations at priority locations identified in the Crude by Rail Grade Crossing Study and minimal operational funds.

**Project Rationale**

Bakken shale crude oil is a significant new rail commodity transported through Minnesota. Shipments of crude oil originating in North Dakota and traveling through Minnesota’s communities by rail have increased from almost no rail transport in 2005 to as many as nine crude oil trains per day in 2014. This crude oil has been involved in numerous catastrophic incidents in the last several years, including the Lac Megantic, Quebec, derailment and fire that killed 47 persons in July 2013. Additional incidents involving explosion and fire have occurred in Casselton, ND; Lynchburg, VA; Mount Carbon, ND; Galena, IL and Heimdal, ND. These incidents highlight the potential safety risks involved with the significant traffic increase and large volumes of hazardous material shipped by rail.

In 2014, the Minnesota Legislature directed MnDOT to conduct a study of the effects of crude oil by rail transportation in the state and also provided \$2 million for safety improvements along oil corridors. In 2015, legislature provided an additional \$5 million for rail grade crossing safety improvements that could be used for rail grade separations as well. The resulting Crude by Rail Grade Crossing Study identified a number of short term and long term safety improvements needed along Minnesota’s crude oil rail routes ranging from small roadway and signal improvements to full road-rail grade separations.

**Other Considerations**

Since the cost to construct grade separations range from \$10 million to \$30 million or more, the specific number and locations of grade separations will be dependent on the amount of funding provided.

These highway – railroad grade separation projects will be administered by MnDOT’s Office of State Aid on the local CSAH and MSAS systems or the appropriate District for trunk highway projects. Trunk highway projects will not be funded from this capital request. In future biennium’s, appropriated funding will be needed for select Trunk Highway Grade Separation.

## **Impact on Agency Operating Budgets**

None

## **Description of Previous Appropriations**

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

2014 \$2 million general funds

2015 \$5.16 general obligation bonds

The 2015 appropriation was earmarked for the City of Plymouth and Koochiching County. The 2015 legislature also appropriated \$5 million for rail grade crossing safety improvements that could be used for rail grade separations but is listed under the Highway/Railroad Grade Crossing Warning Device Replacement where it will most likely be used.

## **Project Contact Person**

Peter Dahlberg

Program Manager

651-366-3693

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## **Governor's Recommendation**

The Governor recommends \$69.624 million in general obligation bonds for this request. Also included are budget estimates of \$70 million for each planning period for 2018 and 2020.

# Transportation

# Project Detail

(\$ in thousands)

## Rail Grade Separation on Crude Oil Rail Lines Program

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 5,160	\$ 69,624	\$ 70,000	\$ 70,000
General Fund Cash	\$ 2,000	\$ 0	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 7,160</b>	<b>\$ 69,624</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Pre-design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 120	\$ 5,000	\$ 5,000	\$ 5,000
Project Management	\$ 235	\$ 2,000	\$ 2,000	\$ 2,000
Construction	\$ 6,805	\$ 62,624	\$ 63,000	\$ 63,000
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
<b>TOTAL</b>	<b>\$ 7,160</b>	<b>\$ 69,624</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
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	\$ 69,624	100 %
User Financing	\$ 0	0 %

## STATUTORY REQUIREMENTS

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

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	No
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	No
<b>M.S. 16A.695: Public Ownership Required</b>	Yes
<b>M.S. 16A.695(2): Use Agreement Required</b>	No
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	Yes
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	No
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

**Rail Quiet Zones**

**AT A GLANCE**

<b>2016 Request Amount:</b>	\$10,000
<b>Priority Ranking:</b>	2
<b>Project Summary:</b>	\$10 million in state funds is requested to assist local communities with the capital portion of implementing train whistle-free quiet zones as approved by the Federal Railroad Administration, to improve community quality of life.

**Project Description**

A quiet zone is a section of a rail line at least one-half mile in length that contains one or more consecutive public highway-rail grade crossings at which locomotive horns are not routinely sounded when trains are approaching the crossings.

Local communities may apply to the FRA for the establishment of a whistle-free quiet zone. All rail quiet zones must be approved by the FRA.

Due to anticipated high demand for these funds from communities and the cost of the projects, program funds would be limited to partial cost grants that help fund the grade crossing safety protection elements of quiet zone projects. Requests will be prioritized based on established criteria such as train volumes, population density, availability of local match and project readiness.

Quiet zone project costs vary considerably. Assuming \$400,000 as an average capital cost for a single crossing and a 25% support level of state funding, this would help implement quiet zones at about 100 crossings (there are about 4,200 public crossings in Minnesota). However, quiet zones frequently involve multiple crossings, so the number of quiet zones established may be substantially less than this number.

**Project Rationale**

Railroads are required to blow their whistles at all rail crossings on public roads unless an FRA approved whistle-free quiet zone is established in cooperation with the local unit of government. In order to establish whistle-free quiet zones, off-setting safety improvements are typically required. This can be costly, and is typically paid for by the local road authority. Given increases in rail traffic statewide and the resulting increase in train whistles, cities are seeking to establish whistle-free quiet zones in their communities to reduce community impacts and improve quality of life. These are not considered grade crossing safety improvement projects as they maintain but do not improve safety. Thus the intent is to establish a dedicated funding source separate from other funding designed to improve grade crossing safety.

**Other Considerations**

As GO bonds are being requested, costs associated with trunk highway rail crossings will not be

eligible. A portion of the funding for this activity may be used for consultant project management and operational funds to administer the program.

### **Impact on Agency Operating Budgets**

Funding this program will require resources to develop and administer the contracts. Since this activity is not eligible for trunk highway funds, the general obligation bond funding may be used to pay the agency staff costs that are attributed directly to the program.

### **Description of Previous Appropriations**

None

### **Project Contact Person**

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Office Director of the Office of Freight and Commercial Vehicle Operations  
651-366-3665  
william.gardner@state.mn.us

### **Governor's Recommendation**

The Governor recommends \$10 million in general obligation bonds for this project. Also included are budget estimates of \$10 million for each planning period for 2018 and 2020.

# Transportation

# Project Detail

(\$ in thousands)

## Rail Quiet Zones

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 0	\$ 10,000	\$ 10,000	\$ 10,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
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	\$ 0	\$ 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
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
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.

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	N/A
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	No
Has the predesign been approved by the Department of Administration?	No
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	N/A
<b>M.S. 16A.695: Public Ownership Required</b>	Yes
<b>M.S. 16A.695(2): Use Agreement Required</b>	No
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	Yes
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	Yes
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
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**

<b>2016 Request Amount:</b>	\$12,000
<b>Priority Ranking:</b>	3
<b>Project Summary:</b>	\$12 million in state funds to be used to replace approximately 40 aging highway/rail grade crossing safety gates and signal warning systems across the state.

**Project Description**

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

Projects to replace aging signal systems are prioritized and submitted as candidate projects by each operating railroad. MnDOT then selects projects based on a number of factors, including roadway traffic volumes, train counts/speeds, crash history and safety concerns.

Installing signals at grade crossings that are currently not signaled continues to be MnDOT's highest investment priority for the grade crossing safety program. MnDOT uses federal funds for the installation of new (not replacement) systems at hazardous locations on both local and state roads.

A federal set-aside program pays 100% of the cost of these safety improvements. The \$5.4 million in federal dollars available annually provides funding for only an estimated 18 projects per year, a small percentage of the state's grade crossing safety needs. This program can be used to fund replacement of antiquated equipment, but doing so reduces the number of safety improvements that can be made across the state.

Trunk highway funds, when available, are used for signal system replacement on trunk highway crossings.

**Project Rationale**

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

There are approximately 1,400 railroad highway/rail grade crossings signals in the state of Minnesota. The normal life cycle for highway/rail grade crossings signals is 20 years. These signal

systems need to be replaced as they get to the end of their design life. In order to manage this process, Minnesota Department of Transportation (MnDOT) has developed a statewide life cycle planning process, including a proposed funding mechanism to make these improvements that will administer the state's investment in grade crossing warning devices. This life cycle planning process must address the need to replace approximately 70 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 would cost approximately \$21 million per year (70 crossings per year x \$300,000) to fully address the state's highway/rail grade crossing signal modernization needs.

### **Other Considerations**

A portion of the funding for this activity may be used for consultant project management and operational funds to administer the program.

### **Impact on Agency Operating Budgets**

Funding this program will require resources to develop and administer the contracts. Since this program is not eligible for trunk highway funds, the general obligation bond funding will be used to pay the agency staff costs that are attributed directly to the program.

### **Description of Previous Appropriations**

The Minnesota Legislature has appropriated the following for the Highway Railroad Grade Crossing Warning Device replacement:

2010	\$2.5 million general obligation bonds
2011	\$3 million general obligation bonds
2012	\$2 million general obligation bonds
2014	\$2 million general obligation bonds
2015	\$5 million general funds

In addition to these appropriations, the program receives \$1,000,000 annually from the Minnesota grade crossing safety account in the special revenue fund (Minnesota Statutes Section 219.1651). This account is used for smaller safety improvements at crossings such as circuitry upgrades.

### **Project Contact Person**

Timothy Spencer  
Planning Director  
651-366-3702  
timothy.spencer@state.mn.us

**Governor's Recommendation**

The Governor recommends \$5 million in general obligation bonds for this project. Also included are budget estimates of \$5 million for each planning period for 2018 and 2020.

# Transportation

# Project Detail

(\$ in thousands)

## Highway/Railroad Grade Crossing - Warning Devices Replacement

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 9,500	\$ 12,000	\$ 12,000	\$ 12,000
General Fund Cash	\$ 5,000	\$ 0	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 14,500</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 725	\$ 500	\$ 500	\$ 500
Construction	\$ 13,775	\$ 11,500	\$ 11,500	\$ 11,500
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 14,500</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

**STATUTORY REQUIREMENTS**

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

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	No
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	No
<b>M.S. 16A.695: Public Ownership Required</b>	Yes
<b>M.S. 16A.695(2): Use Agreement Required</b>	No
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	N/A
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	No
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	No

**State Plane Purchase**

**AT A GLANCE**

**2016 Request Amount:** \$10,000

**Priority Ranking:** 4

**Project Summary:** \$10 million in state funds to purchase two new aircraft for the air transportation services and the sale of the current aircraft, the King Air C90 (55MN) and King Air 200 (70MN).

**Project Description**

The aircraft used for the air transportation services are aging. 55MN is 34 years old, and 70MN is 22 years old. As aircraft age, they cost more to maintain. A 30-year old airplane can have more than double the maintenance costs as a 5-year old airplane. In addition, increased time in maintenance reduces the number of days the aircraft are available. For example, in the past year the 34-year old airplane has been in maintenance 17% more days than the 22-year old. By age 30, aircraft typically spend nearly half their time in maintenance. Also, the 70MN engines are both due for overhauls, one in 2017 and one in 2019 for up to \$350,000 each.

MnDOT recommends replacement of these aircraft due to age and the coming expenses. MnDOT hired Conklin and de Decker (consultant firm) to verify our assessment, assess current usage, and make recommendations for the number and type of aircraft we should own. The firm evaluated usage, operations, mission needs, and other factors and recommended replacing the two aircraft with two new/newer aircraft (report available upon request).

**Project Rationale**

MS 360.024 identifies MnDOT as the agency for managing air transportation services for state employees. Agencies pay for this service based on a rate determined by MnDOT. Money is placed into a revolving account that is used for operating costs and maintenance. State law does NOT allow this fund to be used to replace aircraft.

MnDOT Aeronautics has been managing the air transportation services for several decades. Air transportation saves the state money by making efficient use of staff time thereby increasing productivity. For example, driving round-trip to Bemidji would require 8 hours of travel time, a full business day. Flying is only two hours round-trip. Most of the state of Minnesota is within one hour fly time of the St. Paul downtown airport. MnDOT uses a fly vs. drive calculator to help evaluate whether a trip is cost effective. As a result, our average passenger load is greater than four employees and our one-way trip time is typically less than one hour.

**Other Considerations**

The final aircraft type would be determined through the request for proposal and subsequent procurement process. The estimated gross purchase price of two new aircraft is \$12 million; the estimated trade-in value or net proceeds from the sale of the old aircraft is approximately \$1.6M, and

is used to determine the net cost of the new aircraft.

**Impact on Agency Operating Budgets**

Maintenance costs would be reduced.

**Description of Previous Appropriations**

None

**Project Contact Person**

Cassandra Isackson  
Aeronautics Office Director  
651-234-7210  
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**Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Transportation

# Project Detail

(\$ in thousands)

## State Plane Purchase

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Fund Cash	\$ 0	\$ 10,000	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 10,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
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	\$ 0	\$ 0	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 10,000	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 10,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
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.

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	No
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
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
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	N/A
<b>M.S. 16A.695: Public Ownership Required</b>	Yes
<b>M.S. 16A.695(2): Use Agreement Required</b>	N/A
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	N/A
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	N/A
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	N/A
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	N/A
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A

**Local Bridge Replacement Program**

**AT A GLANCE**

<b>2016 Request Amount:</b>	\$100,000
<b>Priority Ranking:</b>	5
<b>Project Summary:</b>	\$100 million in state funds to fund the rehabilitation or replacement of local bridges across the state.

**Project Description**

Approximately 1,761 bridges are structurally deficient or functionally obsolete of the 14,814 total bridges (spanning more than 10 feet) on the local system. Average construction cost to replace a bridge in 2014/15 was \$670,000. Counties and cities have prioritized the replacement of 1,193 deficient bridges by city council or county board resolution over the next five years with an estimated total replacement cost of \$460 million. In 2014, 133 local bridge projects across the state were funded with a total of \$115 million of federal, state, state-aid, township, and local funds.

**Project Rationale**

This request for \$100 million in state transportation funds is to replace or rehabilitate deficient bridges owned by local governments throughout the state.

Preserving the structural integrity and historic heritage of Minnesota’s bridges is a top priority for the Minnesota Department of Transportation (MnDOT) and local agencies. Bridges are critical links in the state’s transportation system. State financial assistance to local units of government is necessary because of the significant number of bridges and because the replacement cost is too much for local agency transportation budgets to bear with local funds alone.

State bridge replacement funds are used in two ways: 1) to leverage or supplement other types of bridge replacement funding such as federal-aid, state-aid, and township bridge funds and 2) for local bridges that have no other funding source. In these cases, the bond funds pay 100% of the eligible construction cost.

A small percentage of local bridges compete for Federal Aid through the Area Transportation Partnership (ATP) process. These projects require matching local funds and bond funds are a first priority for local match on federal bridge projects in the State Transportation Improvement Plan (STIP).

For bridge projects local governments assume all costs for design and construction engineering, right of way, bridge removal, and items not directly attributable to the bridge, such as approach grading and roadway surfacing costs.

In 2014, MnDOT completed a comprehensive statewide Local Historic Bridge Study with a focus on the state’s historic bridges that are not DOT-owned. The study determined 169 local bridges are listed in, or eligible for listing in, the National Register for Historic Properties. These bridges are an important part of the state’s historic heritage and some of the oldest bridges in Minnesota. The estimated preservation costs for construction is \$74 million.

Two important budget buster bridges on the priority bridge replacement list are Bridge 62080 (Kellogg Ave. over I-94) in St. Paul and historic Bridge 2796 (10th Ave. over the Mississippi River) in Minneapolis. Both are significant to the transportation networks of their respective cities. Estimated replacement cost for the Kellogg Bridge 62080 is approximately \$59.4 million and for the rehabilitation of the historic 10th Ave. Bridge 2796 is approximately \$42.5 million. In 2014, the rehabilitation of Bridge 2441 (Franklin Ave. over Mississippi River) cost \$43 million which was funded with a combination of funding sources including \$12.3 million of state transportation bond funds.

### **Other Considerations**

None

### **Impact on Agency Operating Budgets**

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

### **Description of Previous Appropriations**

The Minnesota Legislature has appropriated the following for the Local Bridge Replacement Program:

2010	\$66 million general obligation bonds
2011	\$33 million general obligation bonds
2012	\$30 million general obligation bonds
2014	\$12.3 million general obligation bonds
2014	\$20.7 million general funds
2015	\$ 7.4 million general obligation bonds

### **Project Contact Person**

Patti Loken  
State Aid Programs Engineer  
651-366-3803  
Patti.Loken@state.mn.us

### **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Transportation

# Project Detail

(\$ in thousands)

## Local Bridge Replacement Program

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 148,700	\$ 100,000	\$ 100,000	\$ 100,000
General Fund Cash	\$ 20,700	\$ 0	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 169,400</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
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	\$ 169,400	\$ 100,000	\$ 100,000	\$ 100,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 169,400</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

## STATUTORY REQUIREMENTS

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

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	N/A
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	N/A
<b>M.S. 16A.695: Public Ownership Required</b>	Yes
<b>M.S. 16A.695(2): Use Agreement Required</b>	No
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	Yes
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	Yes
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

## Stone Arch Bridge

**AT A GLANCE**

**2016 Request Amount:** \$2,500

**Priority Ranking:** 6

**Project Summary:** \$2.5 million in general funds is requested for the inspection, scoping, final design and check, and construction of the Stone Arch Bridge repairs. The bridge does not carry a trunk highway designation, therefore general funds are requested.

**Project Description**

The Stone Arch Bridge current scope, as of 2013, includes:

1. Tuckpointing piers.
2. Strengthen and reinforce concrete up to 2' below waterline.
3. Install monitoring system supplied by MnDOT (existing equipment). Include special riprap (4' diameter) as required to anchor monitoring system.

The total cost of the inspection of the bridge, design of the final repair plans (by consultant), review of the final repair plans by MnDOT, and construction and oversight of the above repairs is \$2.5 million. Since the Stone Arch Bridge is not on the trunk highway system, trunk highway funds cannot be used as a funding source.

As time goes by without repairs, the bridge will continue to deteriorate, resulting in more repairs at a higher cost in the future.

**Project Rationale**

The Stone Arch Bridge is in need of repairs based on prior visual inspections and condition ratings. Current repairs (as of 2013) include concrete repairs, tuck pointing of piers, and installation of a scour monitoring system and riprap.

The Stone Arch Bridge is used as a pedestrian and bicycle trail and a highly visible tourist attraction in the metro area. Daily activities and special events provide economic inflows to the surrounding area businesses. In addition to being a civil engineering landmark, it is listed on the National Register of Historic Places. The State of Minnesota is the custodian of this bridge, and the City of Minneapolis maintains the bridge deck. MnDOT is responsible for the structure, due to our knowledge and expertise of roads and bridges. However, this structure has never been a part of the trunk highway system and our agency has very limited funding to monitor, maintain and repair the bridge since MnDOT is funded with trunk highway funds.

**Other Considerations**

As the bridge owner, MnDOT is liable for continued inspection, maintenance and future repairs.

MnDOT is also liable for any incidents related to the inability to keep the bridge in satisfactory condition. Currently MnDOT has very limited funds available to cover any cost related to potential incidents.

Bridges require ongoing maintenance to make sure the structure doesn't fall into disrepair. Due to the limited funds that MnDOT has for this bridge since it does not have a trunk highway designation, MnDOT has been, and will continue to be, unable to maintain this bridge without designated funding for this structure.

### **Impact on Agency Operating Budgets**

This project will not have an impact on MnDOT's operating budget as trunk highway funds cannot be used since the bridge is not on the trunk highway system.

### **Description of Previous Appropriations**

None

### **Project Contact Person**

Nancy Daubenberger  
Division Director  
651-366-4826  
Nancy.Daubenberger@state.mn.us

### **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Transportation

# Project Detail

(\$ in thousands)

## Stone Arch Bridge

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Fund Cash	\$ 0	\$ 2,500	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 2,500</b>	<b>\$ 0</b>	<b>\$ 0</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 250	\$ 0	\$ 0
Project Management	\$ 0	\$ 250	\$ 0	\$ 0
Construction	\$ 0	\$ 2,000	\$ 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
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 2,500</b>	<b>\$ 0</b>	<b>\$ 0</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
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.

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	No
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
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
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	No
<b>M.S. 16A.695: Public Ownership Required</b>	Yes
<b>M.S. 16A.695(2): Use Agreement Required</b>	N/A
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	N/A
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	No
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	N/A
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	N/A
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Local Road Improvement Fund Grants**

**AT A GLANCE**

<b>2016 Request Amount:</b>	\$100,000
<b>Priority Ranking:</b>	7
<b>Project Summary:</b>	\$100 million in state funds for Rural Road Safety Projects, Routes of Regional Significance Projects and the local share of trunk highway improvements.

**Project Description**

Provide \$20 million to assist counties with Rural Road Safety Projects to reduce traffic crashes resulting in deaths, injuries, and property damage. These projects cannot be funded with existing funds. Provide \$70 million to assist cities, counties or townships with local road projects with statewide or regional significance and reduce traffic crashes, deaths, injuries, and property damage. These projects cannot be funded with existing funds. Provide \$10 million to assist local agencies with paying for the local share of improving trunk highways through their communities.

**Project Rationale**

This request is for \$ 100 million for the Local Road Improvement Program. This will provide funding assistance to local agencies for construction, reconstruction, or reconditioning projects on local roads with statewide or regional significance, safety improvements on county state aid highways, and the local share of improving and trunk highway construction/reconstruction transportation projects impacting communities.

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

State assistance is needed to supplement local effort and the highway user tax distribution fund in financing capital improvements to preserve and develop a balanced transportation system throughout the state. In 2002, the legislature created the Local Road Improvement Program (LRIP) (M.S. 174.52). The fund for this program has three accounts.

- The Trunk Highway Corridor Projects Account provides funding assistance to local agencies with the local share of costs of improving trunk highways through their communities.
- The Local Road Account for Routes of Regional Significance provides funding assistance to local agency road projects that are significant to the state or region. Such projects may support economic development, provide capacity or congestion relief, provide connections to interregional corridors or other major highways, or eliminate hazards. Some turn back projects meet the criteria for routes of regional significance.
- The Local Road Account for Rural Road Safety provides funding for projects on county state-aid highways intended to reduce traffic crashes, ds, injuries, and property damage.

## **Other Considerations**

None

## **Impact on Agency Operating Budgets**

Administration of this program is funded with existing budgets within the Minnesota Department of Transportation (MnDOT) State Aid for Local Transportation Division.

## **Description of Previous Appropriations**

The Minnesota Legislature has appropriated the following for the Local Road Improvement Program:

2011	\$10 million general obligation bonds
2012	\$10 million general obligation bonds
2014	\$30 million general funds
2014	\$24.4 million general obligation bonds
2015	\$ 8.9 million general obligation bonds

The \$10 million appropriated for LRIP by the legislature in 2012 assisted in funding two projects; TH 101 turn back in Scott County and TH 36 River Crossing in Oak Park Heights for city owned utilities within the right of way. Again, in 2014 of the \$54 million appropriated by the legislature \$37 million is identified in session law for Ramsey County, Anoka County, City of Richfield and Pine Lake Township.

## **Project Contact Person**

Patti Loken  
State Aid Programs Engineer  
651-366-3803  
patti.loken@state.mn.us

## **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Transportation

# Project Detail

(\$ in thousands)

## Local Road Improvement Fund Grants

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 53,300	\$ 100,000	\$ 100,000	\$ 100,000
General Fund Cash	\$ 30,000	\$ 0	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 83,300</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
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	\$ 83,300	\$ 100,000	\$ 100,000	\$ 100,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 83,300</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

## STATUTORY REQUIREMENTS

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

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	No
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	No
<b>M.S. 16A.695: Public Ownership Required</b>	Yes
<b>M.S. 16A.695(2): Use Agreement Required</b>	No
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	Yes
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	Yes
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Safe Routes To School Infrastructure Program**

**AT A GLANCE**

<b>2016 Request Amount:</b>	\$3,000
<b>Priority Ranking:</b>	8
<b>Project Summary:</b>	\$3 million in state funds for one solicitation of infrastructure projects that increase safe and convenient opportunities for children to walk and bicycle to school in communities across Minnesota.

**Project Description**

It is anticipated that this will fund about 20 projects such as sidewalk improvements, traffic calming and speed reduction, pedestrian and bicycle crossings, on-street bicycle facilities, shared-use paths, secure bicycle parking facilities and traffic diversion improvements in the vicinity of schools.

**Project Rationale**

In 2012, the Legislature created a state Safe Routes To School (SRTS) Program (MS 174.40). This proposed investment under that authority and direction will assist local communities in Minnesota by building infrastructure that increases options to bicycling and walking for children near schools leading to increased safety and opportunity.

Since 2006, a federally-funded SRTS program has provided grants to Minnesota communities to increase opportunities for children to walk and bicycle to school. Demand for the program exceeded funding under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) federal appropriation and future federal funding is identified specifically for the this program under the Moving Ahead for Progress in the 21st Century (MAP-21) federal authorization bill. In the previous two solicitations from 2013 and 2014, the Minnesota Department of Transportation (MnDOT) received 145 applications from local schools and units of government requesting almost \$37 million for safety improvements near schools but could fund only \$4 million in 28 communities. Providing safe routes to school for Minnesota children has numerous benefits including reducing congestion around schools, reducing school transportation costs, providing for physical activity, improving health, and supporting academic achievement.

**Other Considerations**

SRTS supports goals of many organizations that are working towards safety, health and educational excellence of our school children. The program provides a cost-effective way for the state to invest in providing our school-aged children improved opportunities to walk or ride their bicycle to school. These decisions are made at the local level and take into consideration planning and context for the most appropriate infrastructure solutions for safety and access improvements.

Supporters will include Minnesota Department of Health, the Legislature’s Childhood Obesity Task Force and over 35 other organizations that supported the 2014 and 2015 legislative proposals including the American Heart Association, American Cancer Society, Coalition of Greater Minnesota

Cities, Minnesota School Boards Association, Minnesota Association of School Administrators, and the Bicycle Alliance of Minnesota.

These facilities will be built using current design and construction techniques to provide energy efficient, functionally proficient, and economic facilities to support productive, healthy, and safe working and traveling environments for employees and patrons.

Estimated future SRTS bonding requests for 2018 and 2020 will be approximately \$3 million each biennium plus unfunded remainders of projects listed in this 2016 request.

### **Impact on Agency Operating Budgets**

The proposed projects have no effect on state operating budgets as we are already administering the program.

### **Description of Previous Appropriations**

The Minnesota Legislature has appropriated the following for the Safe Routes to School Program:

2014 \$1.0 million general funds

2015 \$0.5 million general funds

### **Project Contact Person**

Mike Schadauer

Director, Office of Transit

651-366-4161

Mike.Schadauer@state.mn.us

### **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Transportation

# Project Detail

(\$ in thousands)

## Safe Routes To School Infrastructure Program

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 0	\$ 3,000	\$ 3,000	\$ 3,000
General Fund Cash	\$ 1,500	\$ 0	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 1,500</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 1,500	\$ 3,000	\$ 3,000	\$ 3,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 1,500</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

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

## STATUTORY REQUIREMENTS

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

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	No
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
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
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	No
<b>M.S. 16A.695: Public Ownership Required</b>	Yes
<b>M.S. 16A.695(2): Use Agreement Required</b>	N/A
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	N/A
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	N/A
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Facilities Capital Program**

**AT A GLANCE**

**2016 Request Amount:** \$40,000

**Priority Ranking:** 9

**Project Summary:** \$40 million in state funds for MnDOT Facilities Capital Improvement Program which supports the building infrastructure needs of the Minnesota Department of Transportation (MnDOT). The Facilities Capital Improvement Program funds extend the useful life of existing facilities through renovation and expansion to meet current operational needs. When renovation and expansion of existing facilities is not feasible, new buildings may be constructed under this program. Strategic investments reduce long term operating costs and improve energy efficiency.

**Project Description**

Within the Facilities Capital Program, MnDOT has implemented a two phase process, the Design and Construction phases.

‘Design Fee’ funding requests include consultant fees for schematic design, design development, land acquisition and construction documents, including construction cost estimates completed for each stage.

‘Construction’ funding requests include cost of construction, special inspections and testing, construction administration by the design consultants and costs related to contract letting and completion of the work.

This capital request will be used to complete approximately \$40 million of identified project proposals. Project proposals have been prioritized based on need, condition of operational deficiencies of the existing facilities, and overall economic benefit.

MnDOT Building Services partners with regional district staff, to identify and prioritize potential improvement projects for future years.

**Design Fees:**

New Virginia Headquarters Building

\$1.3M – 1.4M

New Jordan Truck Station

\$740,000-820,000

Windom Headquarters Addition

\$530,000-600,000

**Construction Funding:**

Crookston Headquarters Addition and Renovations

\$6.4M – 6.8M

Eden Prairie Truck Station Addition and Renovations

\$12.7M – 13.5M

Mendota Heights Truck Station Addition and Renovations

\$13.3M – 14.1M

**Land Acquisition and Design Fees:**

New Wheaton Truck Station

\$800,000-850,000

**Project Rationale**

The purpose of the Facilities Capital Improvement Program is to provide a program approach to facilities maintenance, renovation and replacement. This program will support seamless and steady funding for planning, designing, letting, management of environmental and unforeseen cost escalations through construction. Continued maintenance and improvement to facilities is 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.*

**Other Considerations**

The Facilities Capital Improvement Program would allow our building schedule to better align with the construction season.

**Impact on Agency Operating Budgets**

These funds will assist MnDOT facilities in meeting Executive Order 11-12 issued by Governor Dayton, providing job creation through energy efficiency and renewable energy programs for Minnesota's public buildings.

**Description of Previous Appropriations**

All previous appropriations were given on a project basis.

**Project Contact Person**

Robert Miller, PE

Director of MnDOT Building Services

651-366-3573

robert.miller@state.mn.us

## **Governor's Recommendation**

The Governor recommends \$40 million in trunk highway cash for this request. Also included are budget estimates of \$40 million for each planning period for 2018 and 2020.

# Transportation

# Project Detail

(\$ in thousands)

## Facilities Capital Program

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
Trunk Highway Bonds	\$ 0	\$ 40,000	\$ 40,000	\$ 40,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
Property Acquisition	\$ 0	\$ 200	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 3,800	\$ 4,000	\$ 3,000
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 0	\$ 36,000	\$ 36,000	\$ 37,000
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
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
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.

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	Yes
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
Does this request include funding for predesign?	Yes
Has the predesign been submitted to the Department of Administration?	No
Has the predesign been approved by the Department of Administration?	No
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	Yes
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	Yes
Does the project demonstrate compliance with the standards?	Yes
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	No
<b>M.S. 16A.695: Public Ownership Required</b>	No
<b>M.S. 16A.695(2): Use Agreement Required</b>	No
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	No
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	No
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	No
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	No
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

(\$ in thousands)

**Port Development Assistance Program**

**AT A GLANCE**

**2016 Request Amount:** \$10,000

**Priority Ranking:** 10

**Project Summary:** \$10 million in state funds for the Minnesota Port Development Assistance Program which supports infrastructure needs of Minnesota’s public ports on the Great Lakes and Inland River Navigation Systems. Also for partnership programs to improve freight handling efficiency on Minnesota’s commercial waterway systems, with typically 80 percent state grants and 20 percent local share.

**Project Description**

The capital request will be used to complete \$10 million of the listed project proposals. Project proposals are prioritized based on need, employment generated and overall economic benefit. The Minnesota Department of Transportation’s (MnDOT) Office of Freight and Commercial Vehicle Operations, works with the state’s port authorities, and has identified a list of potential terminal improvement projects for 2016 and beyond:

**Duluth Seaway Port Authority**

New Warehouse at Berth #4	\$4,000,000
Warehouse/rail facility on Garfield C & D	\$8,000,000
Modernize Electrical Service	\$ 350,000
Dock Timber Fender Replacement	\$ 350,000
Repave Cargo/Storage Area	\$ 750,000
Replace transit shed doors	\$ 150,000
Finalize Dock C & D Rebuild	\$3,250,000
Repave Dock #1 Apron	\$ 500,000

**Red Wing Port Authority**

Realign Port access road for flood events	\$1,000,000
Levee Park Improvements	\$1,000,000

**St Paul Port Authority**

Secondary Road Access to Southport	\$2,000,000
Rehabilitate Port Authority Buildings	\$3,000,000
Reclaim fleeting area neat Red Rock	\$1,500,000

Red Rock Storm Sewer Upgrade	\$ 200,000
Southport Dock Wall/Loading Cells	\$3,000,000
Rehabilitate Red Rock Dock Wall/Loading Cells	\$1,000,000
Storm Water Management	\$1,000,000
Replace Railroad Crossing at BT#1	\$ 500,000
<b>Winona Port Authority</b>	
Truck Fleeting & Riverview Drive Improvements	\$1,100,000
Reclaiming Staging Area	\$ 500,000
Install Loading Cell	\$ 250,000
<b>Total Port Needs</b>	<b>\$33,400,000</b>

### Project Rationale

The purpose of the Port Development Assistance 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; and promote economic development in and around ports and harbors in the state. (Source M.S.457A.2).

### Other Considerations

Port Development 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 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.

### Description of Previous Appropriations

The Minnesota Legislature has appropriated the following for the Port Development Assistance Program:

- 2011 \$3 million general obligation bonds
- 2012 \$1 million general obligation bonds
- 2014 \$2 million general obligation bonds
- 2015 \$3 million general funds

Since the 1990s, between \$0.5M and \$3.0M has been appropriated for this program each biennium. To date, the total state appropriation for the Port Development Assistance Program has been \$30 million.

**Project Contact Person**

Patrick Phenow

Ports and Waterways Office of Freight and Commercial Vehicle Operations

651-366-3672

patrick.phenow@state.mn.us

**Governor's Recommendation**

The Governor recommends \$10 million in general obligation bonds for this request. Also included are budget estimates of \$10 million for each planning period for 2018 and 2020.

# Transportation

# Project Detail

(\$ in thousands)

## Port Development Assistance Program

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 6,000	\$ 10,000	\$ 10,000	\$ 10,000
General Fund Cash	\$ 3,000	\$ 0	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 9,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
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	\$ 9,000	\$ 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
<b>TOTAL</b>	<b>\$ 9,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
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.

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	No
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	No
<b>M.S. 16A.695: Public Ownership Required</b>	Yes
<b>M.S. 16A.695(2): Use Agreement Required</b>	No
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	Yes
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	Yes
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Passenger Rail Program**

**AT A GLANCE**

**2016 Request Amount:** \$21,000

**Priority Ranking:** 11

**Project Summary:** This \$21 million state funds request is to provide non-federal matching funds for implementation of passenger rail service along several corridors in the state and connecting Minnesota to the upper Midwest. Capital improvements include preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, construction and to pay for costs of agency staff directly attributable to capital projects. These corridors include the Northern Lights Express service to Duluth, a second daily Amtrak train between Chicago and the Twin Cities, and development of other corridors identified in the 2014 State Rail plan including the Rochester Zip Line Rail.

**Project Description**

In 2009, the Legislature provided \$26m in general obligation bonds to implement passenger rail services identified in State Rail plan. This investment has resulted in two station facilities jointly funded by federal, state, and local sources, and the planning and development of four priority passenger rail corridors. These corridors include the Northern Lights Express service to Duluth, a second daily Amtrak train between Chicago and the Twin Cities, Minneapolis to St. Paul passenger rail infrastructure capacity improvements, and Rochester Zip Line Rail.

The bonding request will provide a state match to local and/or federal funding that may be available for continued project development. Potentially two projects could be ready for construction and implementation within the next 3 years.

**Project Rationale**

M.S. Sec. 174.632 charges the Minnesota Department of Transportation (MnDOT) with planning, designing, developing and constructing passenger rail services. The adopted 2014 Minnesota Statewide Freight and Passenger Rail Plan further directs MnDOT to lead the development of passenger rail services and to coordinate with Midwest Regional Rail Initiative states in the development of a multi-state passenger rail system in the Upper Midwest. This activity provides the products, services and/or functions necessary to implement the elements identified in the State Rail Plan.

**Other Considerations**

The \$26M in bonding has leveraged over \$40M federal funding. There is a 2 for 1 shared benefit with the freight rail system by addressing changing infrastructure needs, safety and capacity constraints. MnDOT has and will continue to develop the expertise within the agency design, construct and operate passenger rail services. A key element to implement a passenger rail system

is to explore potential alternative funding methods, public /private sector funding opportunities, and potentially private sector project development and operations.

### **Impact on Agency Operating Budgets**

Passenger rail planning is not eligible for trunk highway funding. Passenger rail planning and project development activities are funded through general fund appropriations and eligible specific corridor project management activities are funded through general obligation bonds authorized in Laws 2009, chapter 93, article 1, section 11, subdivision 5. For FY 2015-2016 the biennial general funds appropriation is \$1 million. As of December 31, 2014 over \$25.9 million of 2009 general obligation bond funds were obligated on passenger rail project identified in the State Rail Plan. Additional general obligation bond funds are necessary to continue project development activities, maintain the validity of completed corridor development documents that position Minnesota to receive federal rail funding. No additional G.O. bonds were identified during the 2015 State legislative session for passenger rail activities.

### **Description of Previous Appropriations**

The Minnesota Legislature has appropriated the following for the Passenger Rail Program:

2009     \$26 million general obligation bonds

### **Project Contact Person**

Dan Krom  
Passenger Rail Office Director  
651-366-3193  
Daniel.krom@state.mn.us

### **Governor's Recommendation**

The Governor recommends \$1 million in general obligation bonds for this project. Also included are budget estimates of \$1 million for each planning period for 2018 and 2020.

# Transportation

# Project Detail

(\$ in thousands)

## Passenger Rail Program

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 0	\$ 21,000	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 21,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 15,000	\$ 0	\$ 0
Design Fees	\$ 0	\$ 5,000	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 0	\$ 1,000	\$ 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
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 21,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
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	\$ 21,000	100 %
User Financing	\$ 0	0 %

## STATUTORY REQUIREMENTS

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

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	No
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
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
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	No
<b>M.S. 16A.695: Public Ownership Required</b>	N/A
<b>M.S. 16A.695(2): Use Agreement Required</b>	N/A
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	N/A
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	N/A
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	N/A
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	N/A
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	Yes
Is the required information included in this request?	Yes

**Historic Bridge Program**

**AT A GLANCE**

**2016 Request Amount:** \$20,000

**Priority Ranking:** 12

**Project Summary:** The proposal is requesting \$20 million in first year, to start the state wide historic bridge preservation program. Then \$5 million for the subsequent 4 years continued support. Over 230 Minnesota bridges have been identified as eligible for or are listed in the National Register of Historic Places, and represent a variety of engineering advances and aesthetic styles.

**Project Description**

This request is intended to fund the high cost of maintenance, stabilization (stopping or slowing further deterioration), preservation (treatment measures taken to sustain the integrity and material of the bridge), or rehabilitation (extensive construction repairs to extent life and function of the bridge) of Minnesota’s 230 historic bridges. The historic bridge program is designed to provide local cities, townships and counties with incentives to invest time and resources to ensure all Minnesotans can benefit from the preservation of Minnesota’s Historic Bridges. The responsibility of the bridge owners is often greater than they can provide and should be shared with the state to preserve and rehabilitate our historic heritage for the benefit of all. The program will emphasize the importance of the statewide preservation of historic bridges through a dedicated funding source. These funds will be used to leverage other funding to maximize the projects.

**Project Rationale**

Minnesota’s historic bridges are the single most visible icon of highways and civil engineering. Preserving a historic bridge requires specialized knowledge of experienced engineers, historians, and contractors. The life of a structure can be extended with timely repairs and stabilization. In some cases, the rehabilitation could result in higher costs than if the agency was allowed to remove and replace the bridge. This subset of bridges often does not compete well for the traditional bridge funds used to replace deficient bridges because of location, purpose and need, and cost. Federal regulations require strong consideration of preserving these structures. Since almost every bridge project has federal involvement (through funding or permits), replacement of these bridges is difficult.

**Other Considerations**

Many Minnesota cities identify themselves by the bridges in their community. Stillwater, Zumbrota, Duluth, Proctor, Winona, Minneapolis and many other cities use their respective historic bridges on city logos or for community events to celebrate their unique history and setting. Working with community members to preserve elements that they identify with will be a positive change for these communities. By identifying early which bridges are significant and applying higher levels of

maintenance on them, it is possible to save funds in the end. This important link to our past is preserved for the future.

### **Impact on Agency Operating Budgets**

Administration of this program through the State Aid for Local Transportation Division, the Bridge Office and the Cultural Resource Office will be completed using the existing organization and budget.

### **Description of Previous Appropriations**

#### **Project Contact Person**

Patti Loken  
State Aid Programs Engineer  
651-366-3803  
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### **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Transportation

# Project Detail

(\$ in thousands)

## Historic Bridge Program

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 0	\$ 20,000	\$ 10,000	\$ 10,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 20,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
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	\$ 0	\$ 20,000	\$ 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
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 20,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
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	\$ 20,000	100 %
User Financing	\$ 0	0 %

## STATUTORY REQUIREMENTS

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

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	No
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	No
<b>M.S. 16A.695: Public Ownership Required</b>	Yes
<b>M.S. 16A.695(2): Use Agreement Required</b>	No
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	Yes
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	Yes
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Minnesota Rail Service Improvement Program**

**AT A GLANCE**

**2016 Request Amount:** \$2,000

**Priority Ranking:** 13

**Project Summary:** This request is for \$2 million in state funds to preserve and improve rail-shipping opportunities in Minnesota, achieve a modally balanced freight transportation system, provide access to markets, and serve the freight community in Minnesota in support of statewide economic development. Provide long-term no-interest loans to regional railroad authorities, shortline /regional railroads, and shippers to improve rail facilities and increase rail shipping.

**Project Description**

*Capital Improvement Loan Program:*

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

*Rail Line Rehabilitation Program:*

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

*Rail Bank Program:*

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

The Minnesota Rail Service Improvement program (MRSI) was created in 1976 and funding was first authorized in the form of general fund appropriations. In 1982, a Constitutional Amendment allowed for general obligation bonds to be used for the MRSI Program (Minn. Constitution, Art. 11, sec. 5(i)), in addition to any general fund appropriations. Total state appropriations, combined with federal grants and funding from railroads, shippers, and local units of government, together with loan repayment proceeds, have driven rail investments exceeding \$146.2 million.

Solicitations for loans are issued on a regular basis and applications taken. Regional and statewide freight studies, as well as the State Rail Plan, identify needs that may be addressed by the MRSI Program. Since its inception, the program has helped fund 205 capital improvement projects to

railroads and shippers, 25 rail line rehabilitation projects, 5 purchase assistance projects to regional rail authorities, and 17 rail bank purchase projects.

### **Project Rationale**

The Minnesota Rail Service Improvement (MRSI) Program seeks to preserve and enhance rail service in the state. MRSI assists rail users (shippers) and rail carriers (railroads) with infrastructure improvements, as well as preservation of rail corridors through land banking.

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

The MRSI Program includes three primary elements: the Capital Improvement Loan Program, the Rail Line Rehabilitation Program and the Rail Bank Program.

### **Other Considerations**

Demand for this program fluctuates based on the economy, condition of the freight rail system, commercially available interest rates, emerging trends, and may other factors. The program saw a decline in demand during the recession, but demand for new capital improvement loans and general interest in the program has increase drastically over the past year.

### **Impact on Agency Operating Budgets**

This is currently a loan program, with no impact on state operating budgets.

### **Description of Previous Appropriations**

The Minnesota Legislature has appropriated the following for the Minnesota Rail Service Improvement Program:

2010     \$2 million general obligation bonds

2011     \$ .7 million general obligation bonds

Since the 1970s, between \$1.0M and \$12.0M has been appropriated for this program each biennium. Since 2010, MRSI Program has issued 10 loans for \$3.14 million. Direct project level appropriations (both state bonding and federal assistance) are also administered through the MRSI program.

**Project Contact Person**

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**Governor's Recommendation**

The Governor does not recommend capital funding for this request.

# Transportation

# Project Detail

(\$ in thousands)

## Minnesota Rail Service Improvement Program

### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 2,700	\$ 2,000	\$ 2,000	\$ 2,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 2,700</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>

### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
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	\$ 2,700	\$ 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
<b>TOTAL</b>	<b>\$ 2,700</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>

### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
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.

<b>M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)</b>	No
<b>M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>M.S. 16B.325(1): Sustainable Building Guidelines Met</b>	N/A
<b>M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines</b>	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
<b>M.S. 16B.335(5 &amp; 6): Information Technology Review (by MN.IT)</b>	No
<b>M.S. 16A.695: Public Ownership Required</b>	Yes
<b>M.S. 16A.695(2): Use Agreement Required</b>	Yes
<b>M.S. 16A.695(5): Program Funding Review Required (by granting agency)</b>	Yes
<b>M.S. 16A.86 (4b): Matching Funds Required</b>	Yes
<b>M.S. 16A. 642: Project Cancellation in 2021</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A