Transportation — Projects Summary

($ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds 2018	2020	2022	Gov's Rec 2018	Gov's Planning Estimates 2020	2022
Stone Arch Bridge	1	GO	12,968	0	0	12,968	0	0
Rochester Public Transit Bus Storage Garage Expansion	2	GO	4,000	0	0	0	0	0
State Airport Improvement Program	3	GO	49,150	15,000	15,000	0	0	0
Facilities Capital Improvement Program	4	THB	40,000	40,000	40,000	40,000	0	0
Minnesota Rail Service Improvement Program	5	GO	8,000	8,000	8,000	0	0	0
Highway Railroad Grade Crossing - Warning Device Replacement	6	GO	12,000	12,000	12,000	0	0	0
Local Bridge Replacement Program	7	GO	100,000	100,000	100,000	0	0	0
Local Road Improvement Program	8	GO	100,000	100,000	100,000	0	0	0
State Plane Purchase	9	GF	9,000	0	0	0	0	0
Safe Routes to School Infrastructure Program	10	GO	3,000	3,000	3,000	0	0	0
Port Development Assistance Program	11	GO	10,000	10,000	10,000	0	0	0
Passenger Rail Program	12	GO	11,000	0	0	0	0	0
Total Project Requests			359,118	288,000	288,000	52,968	0	0
General Obligation Bonds (GO) Total			310,118	248,000	248,000	12,968	0	0
Trunk Highway Bonds (THB) Total			40,000	40,000	40,000	40,000	0	0
General Fund Cash (GF) Total			9,000	0	0	0	0	0

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AT A GLANCE

- Over 143,000 centerline miles of road including trunk highways and local roads
- 5th largest state highway system in the nation
- 4,860 bridges greater than 10 feet on the trunk highway
- More than 90 million vehicle miles driven everyday on the state highway system
- 50% of state highways and 35% of state bridges are more than 50 years old
- 290 construction projects planned in the 16-17 biennium (236 Preservation/Other, 54 Expansion)
- $21+ billion in planned investments for state highways over the next 20 years (MnSHIP)
- 4,793 full time equivalent employees (as of FY17)
- 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
- Four Lake Superior and five Mississippi River ports
- Transit services in all 80 non-metro counties
- Greater MN transit ridership needs to increase by 40% by 2025
- 135 publicly owned state-funded airports

PURPOSE

Transportation today is about access and opportunities for all Minnesotans through managing an efficient system of interconnected modes that serve as critical connections to opportunities. Transportation supports a robust quality of life through various modes working together to link people to education, healthcare, jobs and recreation. Transportation supports a healthy economy, providing for the efficient shipping of raw and finished goods as well as access to jobs. Transportation also plays an important role in the stewardship of our environment. Therefore, the Minnesota Department of Transportation (MnDOT) has adopted the following:

Vision: Minnesota's multimodal transportation system maximizes the health of people, the environment and the economy.

Mission: To plan, build, operate and maintain a safe, accessible, efficient and reliable multimodal transportation system that connects people to destinations and markets throughout the state, regionally and around the world.

Funding is provided in four programs with 13 budget activities:

Multimodal Systems Program
- Aeronautics
- Transit
- Freight
- Passenger Rail

Local Roads Program
- County State Aid Roads
- Municipal State Aid Roads

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

Agency Management Program
- Agency Services
- Building Services

STRATEGIES

Over the next two years, MnDOT seeks to earn customer trust through activities primarily associated with advancing equity and improving customer engagement. We will achieve this through the completion of targeted activities in the following areas:

- Contracting practices
- Recruitment, training and retention
- Improving customer impacts, experiences and involvement

Similarly, as stewards of the transportation system, we're committed to the following objectives as identified in our formal plans:

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.htm I).

The Department of Transportation's legal authority comes from:
Minnesota Constitution, Article XIV, Public Highway System (https://www.revisor.mn.gov/constitution)
Powers of Road Authorities, M.S. 160 (https://www.revisor.mn.gov/statutes/?id=160)
Trunk Highways, M.S. 161 (https://www.revisor.mn.gov/statutes/?id=161)
Administration of State Aid Road Systems, M.S. 162 (https://www.revisor.mn.gov/statutes/?id=162)
Responsibilities Related to Bridges, M.S. 165 (https://www.revisor.mn.gov/statutes/?id=165)
Trunk Highway Bonds, M.S. 167 (https://www.revisor.mn.gov/statutes/?id=167)
Traffic Regulation, M.S. 169 (https://www.revisor.mn.gov/statutes/?id=169)
Signs and Billboards Along Highways, M.S. 173 (https://www.revisor.mn.gov/statutes/?id=173)
Department of Transportation, M.S. 174 (https://www.revisor.mn.gov/statutes/?id=174)
Enforcement of Prevailing Wage, M.S. 177.44 (https://www.revisor.mn.gov/statutes/?id=177.44)
Rail Transportation, M.S. 218 (https://www.revisor.mn.gov/statutes/?id=218)
Railroad Safety, M.S. 219 (https://www.revisor.mn.gov/statutes/?id=219)
Regulation of Motor Carriers, M.S. 221 (https://www.revisor.mn.gov/statutes/?id=221)
Rail Service Improvement and Rail Bank, M.S. 222 (https://www.revisor.mn.gov/statutes/?id=222)
Aeronautics, M.S. 360 (https://www.revisor.mn.gov/statutes/?id=360).

At A Glance

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.

- Rail Grade Separations on Crude Oil Rail Lines: Increased rail traffic has raised community concerns with safety, emergency response and accessibility.
- Stone Arch Bridge: This 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.
- Rochester Public Transit Bus Storage Garage Expansion: Expansion is required to meet the recently adopted Transit Development Plan, which projects an increase in the fixed route and paratransit bus fleet.
- State Airport Improvement Program: Ensure continued safety, reliability and access to the state's 135 publicly owned airports throughout the state. This funding would also leverage federal and local funds for projects.
- Facilities Capital Program: Address facility and capital needs to meet changing equipment and building code requirements.
- 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.
- Highway/Railroad Grade Crossings: There is a need for repair or replacement of aging warning devices to maintain safety and security.
- Local Bridge Replacement Program: There is a need to keep up with the replacement of deficient bridges on local road systems that cannot be funded locally and that do not have sufficient funding through the state capital program or the newly dedicated portion of the motor vehicle lease sales tax (about $15 million/year beginning in FY 2018).
- Local Road Improvement Fund Program: There is an existing demand to improve the safety and mobility for Rural Road Safety Projects, Routes of Regional Significance Projects and the local share of trunk highway improvements.
- Safe Routes to School Program: There is an increase funding demand to address ADA requirements on walking and bicycling infrastructure and heightened interest in healthy living.

- Port Development Assistance Program: Like many programs, it is facing aging infrastructure and increased demand to move freight.
- Passenger Rail Program: Provide non-federal matching funds for implementation of passenger rail service along several corridors.

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 1,500 warning devices exist and rapid advancements in technology have made older devices difficult to repair. Devices seen as unreliable contribute to accidents as travelers ignore the warning signals.

Local Bridge Replacement Program: There are approximately 15,100 deficient bridges on the local road system, with approximately 1,000 of them being structurally deficient with a sufficiency rating less than 80 and/or are functionally obsolete.

Local Road Improvement Program: Safety continues to be a high priority issue on local roads with nearly 50 percent of all fatal crashes occurring on the local road system (2015 crash fact numbers).

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.

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 repairs to address the deteriorating bridge are delayed, the costs grow.

Rochester Public Transit Bus Storage Garage Expansion: Providing transit facilities and services increases the access for persons and businesses to ensure economic well-being and quality of life.

State Airport Improvement Program: State airports are a key component to the multimodal transportation system and allow time critical connections to destinations for the people, products and businesses within the state, region and around the world.

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

Local Bridge Replacement Program: Critical freight, commerce, agriculture or regular vehicular connections often include bridges as part of that transportation connection. Replacement of deficient bridges strengthens the connections alleviating detours and creating continuity.

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.

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.

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.

Rochester Public Transit Bus Storage Garage Expansion: Garage facilities maximize the useful life of buses. The addition would expand the current bus storage area by 32 forty-five foot bays.

State Airport Improvement Program: Program funding is needed for projects and infrastructure improvements that maintain and preserve assets at publically owned state airport.

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.

Minnesota Rail Service Improvement Program: Funding to address the aging infrastructure, increased traffic and load sizes that are stressing these systems.

Highway Railroad Grade Crossings: 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.

Local Road Improvement Program: Projects that increase safety and mobility on local roads also add life to the asset.

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

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. 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 enhances the long term condition of the system.

Major Capital Projects Authorized in 2016 and 2017

Rail Grade Separations on Crude Oil Rail Lines

The 2017 legislature authorized:

- $71.124 million in general obligation bonds

Minnesota Rail Service Improvement Program
The 2017 legislature authorized:

- $1 million in general obligation bonds

Highway/Railroad Grade Crossing-Warning Device Replacement
The 2017 legislature authorized:

- $1 million in general obligation bonds

Local Bridge Replacement Program
The 2017 legislature authorized:

- $49.212 million in general obligation bonds

Local Road Improvement Program
The 2017 legislature authorized:

- $115.932 million in general obligation bonds

Safe Routes to School Program
The 2017 legislature authorized:

- $1 million in general obligation bonds

Port Assistance Development
The 2017 legislature authorized:

- $5 million in general obligation bonds

($ in thousands)

Stone Arch Bridge

AT A GLANCE

2018 Request Amount:	$12,968
Priority Ranking:	1
Project Summary:	$12.968 million in state funds is requested for the inspection, scoping, final design and construction of the Stone Arch Bridge repairs. The bridge is ineligible for Trunk Highway Fund dollars, therefore General funds are requested.

Project Description

This funding request will address condition deficiencies including cracking of the stone masonry and mortar, cracking and spalling of concrete and corrosion of metal components.

MnDOT has submitted several requests for funds to repair the bridge in recent years, including a $2.5 million capital request in 2016. Based on the results from the most recent inspection completed this fall, estimated project costs have increased significantly. Costs have continued to grow based on several deficiencies the inspection found. For example, the most recent inspection found that all the mortar in the bridge is in poor condition and will need to be repointed (removal of external mortar around the stones and placement of new mortar). Additionally, stone replacement costs have doubled since previous inspections, increasing total project costs.

The Stone Arch Bridge current construction scope includes:

- Deck repairs of spalling concrete and bituminous
- Painting of truss to arrest corrosion
- Settlement repairs on Pier 6 (from 1965 scour event)
- Replacement of tie rods and/or washers due to corrosion
- Concrete repairs in several areas, with a significant portion to fix repairs done in 1965
- Painting over areas where graffiti is present
- Repair sea wall undermining
- Replacement of masonry block (throughout structure)
- Repoint masonry joints on the entire bridge
- Masonry repair (or shotcrete) Piers 1-11 at waterline: assuming 3 feet in vertical swath around the perimeter of pier stone
- Addition of downspouts at drain locations to inhibit deterioration around drains
- Install galvanic anodes on concrete spalls up to 2 feet below waterline (Piers 5-7, upper part of concrete encasement at downstream noses and east pier faces)
- Install scour monitoring system as supplied by MnDOT. Include special riprap (4 feet diameter) as required to anchor monitoring system.

Of the repairs listed above, the repointing of the masonry joints is imperative to reducing or eliminating deterioration of the historic masonry in the future. If this isn't completed now, the cost to repair the mortar and masonry will be considerably higher.

Project Rationale

The Stone Arch Bridge is in need of repairs based on prior inspections and condition ratings. The bridge is used as a pedestrian and bicycle trail and is a highly visible tourist attraction in the Twin Cities 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 responsible for the structure. The City of Minneapolis maintains the bridge deck. The structure has never been a part of the trunk highway system and the agency has very limited funding to monitor, maintain and repair the bridge since MnDOT is primarily funded with the Trunk Highway Fund. This bridge was acquired by MnDOT in 1992 as part of the Rail Bank Program. The program is part of the Minnesota Rail Service Improvement (MRSI) Program which acquires and preserves abandoned rail line for future transportation use.

Project Timeline

Acquiring consultant – July 2018 to November 2018

Inspection – May 2019 (allowing time for weather/stream flow issues)

Scoping – November 2018 to February 2019

Structure recommendations development and final design/check/plans – February 2019 to February 2020 (includes coordination/reviews with Minnesota State Historic Preservation Office)

Construction – February 2020 to October 2020

Other Considerations

The outcomes of not granting this request may result in significant impacts to those that rely on the bridge. This includes higher cost of repairs as the bridge continues to deteriorate and increased risk of closing the bridge due to lack of repairs. This will impact the use of the bridge by tourists, businesses, bicyclists and pedestrians as well as the City of Minneapolis' use of the bridge for events. There are no alternative plans if this request for funding is not granted.

Impact on Agency Operating Budgets

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

Description of Previous Appropriations

A General Fund appropriation of $110,000 was given in 1996 for bridge repairs.

Project Contact Person

Amber Blanchard
State Bridge Planning and Hydraulics Engineer

651-366-4504
amber.blanchard@state.mn.us

Governor's Recommendation

The Governor recommends $12.968 million in general obligation bonds for this request.

($ in thousands)

Stone Arch Bridge

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	$ 0	$ 12,968	$ 0	$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 0**	**$ 12,968**	**$ 0**	**$ 0**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	$ 0	$ 0	$ 0	$ 0
Predesign Fees	$ 0	$ 350	$ 0	$ 0
Design Fees	$ 0	$ 350	$ 0	$ 0
Project Management	$ 0	$ 75	$ 0	$ 0
Construction	$ 0	$ 12,193	$ 0	$ 0
Relocation Expenses	$ 0	$ 0	$ 0	$ 0
One Percent for Art	$ 0	$ 0	$ 0	$ 0
Occupancy Costs	$ 0	$ 0	$ 0	$ 0
Inflationary Adjustment*	$ 0	$ 0	$ 0	$ 0
TOTAL	**$ 0**	**$ 12,968**	**$ 0**	**$ 0**

**Inflation is already included in project costs.*

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
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	$ 12,968	100 %
User Financing	$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

($ in thousands)

Rochester Public Transit Bus Storage Garage Expansion

AT A GLANCE

2018 Request Amount:	$4,000
Priority Ranking:	2
Project Summary:	$4 million in state funds to construct and equip an addition to the City of Rochester's existing bus storage facility located at 4300 East River Road NE, Rochester, Minnesota. This would accommodate the needs of its expanding transit service and bus fleet inventory.

Project Description

The capital request is for the expansion of Rochester Public Transit's (RPT) Operations Center. This is their number one capital priority.

Designed and built during 2012, with long range expansion plans in mind, RPT's current facility, totaling 93,320 square feet, has a storage capacity of 60 buses. This expansion would increase the current bus storage area with 32, 45 foot bays, totaling an additional 40,000 square feet.

Construction costs are estimated at $5 million. Of this, $4 million (80 percent) is proposed to be state funded and $1 million (20 percent) is to be funded by the City of Rochester.

Project Rationale

Greater Minnesota Transit facilities support the Greater Minnesota Public Transit Participation program described in Minnesota Statute 174.24. Some of these facilities protect and maintain assets, such as buses, used in the delivery of transit services to the citizens of Minnesota. Storing buses indoors maximizes their useful service life and makes pre- and post-trip inspection more thorough. Other facilities, like bus stops and transit hubs, provide a more comfortable trip for Minnesotans using transit. All of these projects contribute to the following transportation goals in Minnesota Statute 174.01, Sub. 2:

- Provide multimodal and intermodal transportation facilities and services to increase access for all persons and businesses and to ensure economic well-being and quality of life without undue burden placed on any community.
- Provide transit services to all counties in the state to meet the needs of transit users.
- Provide for and prioritize funding of transportation investments that ensure that the state's transportation infrastructure is maintained in a state of good repair.
- Increase use of transit as a percentage of all trips statewide by giving highest priority to the transportation modes with the greatest people-moving capacity and lowest long-term economic and environmental cost.
- Reduce greenhouse gas emissions from the state's transportation sector.

Rochester's recently adopted Transit Development Plan projects a required fleet of 85 fixed route and eight paratransit buses for a total fleet inventory of 93 buses by CY 2021.

Project Timeline

A conceptual design and budget have been prepared for this project and the City of Rochester has secured funding for predesign, design development and construction administration.

Construction Documents Complete	7-31-2018
Construction Solicitation & Award	1-15-2019
Construction Complete	12-31-2019

Other Considerations

The operation center addition is crucial to RPT's planned service expansion needs.

Impact on Agency Operating Budgets

The proposed project will increase operating subsidies to cover increased facility operational expense.

Description of Previous Appropriations

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

2012 - $6.4 million GO Bond

2014 - $1.5 million GO Bond

Project Contact Person

Tim Sexton
Director, Office of Transit
651-366-3622
Timothy.Sexton@state.mn.us

Governor's Recommendation

The Governor does not recommend capital funding for this request.

($ in thousands)

Rochester Public Transit Bus Storage Garage Expansion

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	$ 7,900	$ 4,000	$ 0	$ 0
Funds Already Committed				
City Funds	$ 0	$ 1,000	$ 0	$ 0
Pending Contributions				
TOTAL	**$ 7,900**	**$ 5,000**	**$ 0**	**$ 0**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
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	$ 7,900	$ 5,000	$ 0	$ 0
Relocation Expenses	$ 0	$ 0	$ 0	$ 0
One Percent for Art	$ 0	$ 0	$ 0	$ 0
Occupancy Costs	$ 0	$ 0	$ 0	$ 0
Inflationary Adjustment*	$ 0	$ 0	$ 0	$ 0
TOTAL	**$ 7,900**	**$ 5,000**	**$ 0**	**$ 0**

**Inflation is already included in project costs.*

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
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	$ 4,000	100 %
User Financing	$ 0	0 %

STATUTORY REQUIREMENTS	
The following requirements will apply to projects after adoption of the bonding bill.	
Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

($ in thousands)

State Airport Improvement Program

AT A GLANCE

2018 Request Amount:	$49,150
Priority Ranking:	3
Project Summary:	$16.5 million for the proposed State Airport Improvement Program, which provides grants to local governments for projects and navigational aids and systems owned by the state or local government. This may include clear zone land acquisition, navigational aids and lighting and non-runway pavements. Also, an additional $32.65 million for specific airport economic development projects.

Project Description

Funds appropriated for this program, for this year and in the future, will be used for capital improvements throughout the state such as:

- Non-runway pavement projects
- Installation and rehabilitation of navigational aids and lighting
- Land acquisition for safety clear zones
- Eligible airport building projects

In addition to the program, this year there are four requests to fund the following projects:

- $20 million for improvements to DNR airtanker bases at airports throughout the state.
- $8 million to develop South building area facilities at the Owatonna Airport.
- $4.4 million for facilities for corporate aircraft operations and storage at the Bemidji Regional Airport. Phase 1 of the project includes taxilanes construction estimated at $975,000. Phase 2 provides apron surrounding the hangar building area estimated at $3.425 million.
- $250,000 for MnDOT Office of Aeronautics office building at 222 East Plato Blvd, Saint Paul, MN. The project would include ensuring bathrooms are ADA compliant, replacing windows throughout the office building, installing backup power and reconstructing the parking lot.

In all instances the program and specific projects include environmental, design, engineering, construction, removal, rehabilitation and all other activities necessary for project completion that are typically included in airport projects under Chapter 360 of Minnesota law.

Project Rationale

MnDOT's Office of Aeronautics, in collaboration with stakeholders from airports throughout the state, seeks to establish the State Airport Improvement Program to provide funding for capital improvements in areas that will benefit state airports, possibly including:

- Clear Zone Land Acquisition Projects: The clear zone is an area off the ends of runways that must remain free of obstructions. Airport ownership of this land ensure continued safe operations of the airport.

- Navigational Aids: MnDOT owns approximately half of the navigational aids in the state. These navigational aids are essential to the safe and efficient operation of our transportation system. The state is currently working with Rochester International Airport (RST) to upgrade the airports instrument landing system to CAT II. This will allow RST to be accessible by airlines and general aviation aircraft in a wider array of weather conditions. Once complete, the assets associated with this upgrade will be transferred to FAA. As such, the RST CAT II is *not* eligible for bonding. This project is and will continue to consume several years of the Navigational Aids budget from the state airports fund. This request allows us to continue to install and rehabilitate navigational aids at other airports for facilities that MnDOT and/or local government will own.
- Non-runway Pavement Projects: Many areas of airport pavement are ineligible for federal funding. These areas are essential to the efficient operations of the airport.
- Airport Buildings: Funding would be for rehabilitating and constructing eligible airport facilities.

Each biennium, MnDOT, in conjunction with airport stakeholders throughout the state, will request program funding for projects in the areas discussed above. The program will include eligible projects under Chapter 360 and may vary from year to year depending on need.

Project Timeline

The majority of the airport improvement projects would be constructed in in FY 2019 and 2020, however some work may extend until 2023.

Other Considerations

The $16.5 million in state funds for airport improvement projects statewide would leverage more than $30 million in federal funds and $10 million in local funds.

Impact on Agency Operating Budgets

Although grants would be administered by MnDOT staff, there are no anticipated new or additional operating budget needs related to this activity. Many of these projects rehabilitate the existing aviation system. MnDOT does not anticipate new or additional local government operating needs for those projects.

Some projects may expand the system by building a new facility. MnDOT provides operational funding to airports based on a formula that considers infrastructure. A local match to these funds is required. This formula is periodically updated, therefore additional state and local operating dollars may be needed for those projects.

Description of Previous Appropriations

MnDOT receives an annual appropriation from the State Airports Fund to acquire, construct, improve, maintain and operate airports and other air navigation facilities. Laws 2017 Special Session, Ch. 3, appropriated $2.33 million for the Rochester International Airport, $6.62 million for the Duluth International Airport and $3.5 million for the Civil Air Patrol Training Facility from the State Airports Fund.

In addition, MnDOT has received state GO bonds for statewide runway pavement projects. Individual airports have received state GO bonds for airport improvement projects, such as reconstruction of airport terminal buildings.

2014 $7.2 million in GO Bond

2017 $3.0 million in GO Bond

Project Contact Person

Cassandra Isackson
Aeronautics Office Director
651-234-7210
Cassandra.Isackson@state.mn.us

Governor's Recommendation

The Governor does not recommend capital funding for this request.

($ in thousands)

State Airport Improvement Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	$ 10,200	$ 49,150	$ 15,000	$ 15,000
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 10,200**	**$ 49,150**	**$ 15,000**	**$ 15,000**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	$ 0	$ 0	$ 0	$ 0
Predesign Fees	$ 0	$ 0	$ 0	$ 0
Design Fees	$ 0	$ 0	$ 0	$ 0
Project Management	$ 0	$ 0	$ 0	$ 0
Construction	$ 10,200	$ 49,150	$ 15,000	$ 15,000
Relocation Expenses	$ 0	$ 0	$ 0	$ 0
One Percent for Art	$ 0	$ 0	$ 0	$ 0
Occupancy Costs	$ 0	$ 0	$ 0	$ 0
Inflationary Adjustment	$ 0	$ 0	$ 0	$ 0
TOTAL	**$ 10,200**	**$ 49,150**	**$ 15,000**	**$ 15,000**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
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	$ 49,150	100 %
User Financing	$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	Yes
Has the predesign been submitted to the Department of Administration?	No
Has the predesign been approved by the Department of Administration?	No
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

($ in thousands)

Facilities Capital Improvement Program

AT A GLANCE

2018 Request Amount:	$40,000
Priority Ranking:	4
Project Summary:	$40 million in state funds for MnDOT's Facilities Capital Improvement Program. The funds extend the useful life of existing facilities through renovation and expansion to meet current operational needs. When renovation and expansion of existing facilities is not feasible, new buildings may be constructed under this program. Strategic investments reduce long term operating costs and improve energy efficiency.

Project Description

This capital funding request will provide support for MnDOT's building infrastructure needs. Agency facilities are strategically located across the entire state so that customer needs, especially snow and ice operations and system emergencies, are addressed promptly. These facilities provide building space for staff, equipment and material, including snow plows and salt. MnDOT owns and operates 1,075 buildings at 269 sites. The types of buildings include: truck stations, regional headquarters, maintenance sites and research facilities.

Facility plans are based on data captured in the Enterprise Real Property Facilities Condition Assessment completed on all 884 facilities managed and maintained by the facility managers and craftspeople in MnDOT's eight districts and five special service sites. This assessment indicates that overall, 135 buildings are rated excellent, 431 are rated good, 244 are rated fair, 53 are rated poor, and 21 are rated crisis/emergency. The capital funds would begin to address these needs and be used for renovation and expansion, as well as constructing buildings to meet current operational needs.

MnDOT has instituted a two phase process that includes "Design Fee Funding" and "Construction Funding" requests. This process gives more accurate estimates for building construction funding requests and a better planning tool for the future. The first phase, "Design Fee Funding" requests, include consultant fees for schematic design, design development, land acquisition and construction documents, including construction cost estimates completed at each stage.

These estimates will be used for the second phase, "Construction Funding Requests" in a later biennium. "Construction Funding Requests" include cost of construction, special inspections and testing, construction administration by the design consultants and incidental costs related to contract letting, as well as the contract letting and completion of the work.

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

MnDOT's Office of Maintenance - Building Services Section, works with regional district staff, to identify a list of potential terminal improvement projects for 2018 and beyond. For each project,

MnDOT identifies a range for costs; the amounts below reflect the high end of project estimates to account for risks and potential unforeseen expenses.

Design Fees:
New Virginia Headquarters Building, $2.6M
New Jordan Truck Station, $800,000
Windom Headquarters Addition, $800,000

Design Fees and Construction Funding:
New Wheaton Truck Station, $5.5M
Northfield Truck Station Replacement, $5.5M

Construction Funding:
Eden Prairie Truck Station Addition and Renovations, $14.1M
Mendota Heights Truck Station Addition and Renovations, $14.7M

Project Rationale

The purpose of the Facilities Capital Improvement Program is to provide a systematic approach to the maintenance, renovation and replacement of MnDOT buildings. Continued maintenance and improvement to facilities 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.

Project Timeline

Below are the design and construction start and end dates for each project:

Eden Prairie Truck Station Addition and Renovations
Construction: April 2019 - August 2020

Mendota Heights Truck Station Addition and Renovations
Construction: April 2020 - August 2021

New Virginia Headquarters Building
Design: January 2019 - January 2020

New Jordan Truck Station
Design: April 2018 - April 2019

Windom Headquarters Addition
Design: May 2018 - May 2019

New Wheaton Truck Station
Design: March 2018 - January 2019
Construction: May 2019 - August 2020

Northfield Truck Station Replacement
Predesign: Fall 2018
Design: January 2019 - December 2019
Construction: May 2020 - August 2021

Other Considerations

None

Impact on Agency Operating Budgets

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

Description of Previous Appropriations

All previous appropriations were given on a project basis.

2012

Rochester Headquarters Remodel

$17.49M in TH Bond

Willmar District Headquarters

$7.43 in TH Fund

Plymouth Truck Station

$5.60M TH Fund

Cambridge Truck Station

$3.30M TH Fund

Crookston Hq/Eden Prairie/Mendota Heights Truck Station Design Fees

$975,000 TH Fund

2014

Willmar District Headquarters

$4.37M TH Fund

Little Falls Truck Station

$3.26M TH Fund

Project Contact Person

Mark Schoenfelder
Director of MnDOT Building Services
651-366-3573
Mark.Schoenfelder@state.mn.us

Governor's Recommendation

The Governor recommends $40 million in trunk highway bonds for this request.

($ in thousands)

Facilities Capital Improvement Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
Trunk Highway Bonds	$ 17,490	$ 40,000	$ 40,000	$ 40,000
Trunk Highway Cash	$ 24,935	$ 0	$ 0	$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 42,425**	**$ 40,000**	**$ 40,000**	**$ 40,000**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	$ 0	$ 0	$ 5,300	$ 0
Predesign Fees	$ 0	$ 0	$ 0	$ 0
Design Fees	$ 975	$ 4,266	$ 4,000	$ 0
Project Management	$ 0	$ 0	$ 0	$ 0
Construction	$ 41,450	$ 35,734	$ 30,700	$ 40,000
Relocation Expenses	$ 0	$ 0	$ 0	$ 0
One Percent for Art	$ 0	$ 0	$ 0	$ 0
Occupancy Costs	$ 0	$ 0	$ 0	$ 0
Inflationary Adjustment	$ 0	$ 0	$ 0	$ 0
TOTAL	**$ 42,425**	**$ 40,000**	**$ 40,000**	**$ 40,000**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	$ 0	$ 0	$ 0
Operating Budget Impact ($)	$ 0	$ 0	$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	$ 0	
User Financing	$ 0	

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	No
Has the predesign been approved by the Department of Administration?	No
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	No
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

($ in thousands)

Minnesota Rail Service Improvement Program

AT A GLANCE

2018 Request Amount:	$8,000
Priority Ranking:	5
Project Summary:	$8 million in state funds is requested for the Minnesota Rail Service Improvement (MRSI) Program to construct freight rail projects that improve freight rail service in Minnesota. These funds would provide grants and long-term no-interest loans to regional railroad authorities, shortline/regional railroads, and shippers to improve rail facilities, increase rail shipping and support economic development.

Project Description

This capital request will provide funds for the MRSI Program. Solicitations for grants and loans will be issued and applications taken. Regional and statewide freight studies, as well as the 2015 State Rail Plan, identify needs that may be addressed by the MRSI Program.

Funds appropriated to the MRSI Account are used for projects in the following program areas:

Freight Rail Economic Development Grant Program:
The Minnesota Legislature provided the MRSI Program with the authority to issue grants for freight rail service improvements that support economic development in 2017. This program will provide grants to railroads, shippers, local governments and other qualified applicants for eligible public or privately owned freight rail projects that demonstrate a clear tie to economic development.

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 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 25 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.

Project Rationale

The MRSI Program was created in 1976 and funding was first authorized in the form of General Fund

appropriations. In 1982, a Constitutional Amendment allowed for GO bonds to be used for the improvement and rehabilitation of public and private rail facilities (Minn. Constitution, Art. 11, sec. 5(i)). Total state appropriations, combined with federal grants and funding from railroads, shippers, and local units of government, and with loan repayment proceeds, have driven rail investments exceeding $148 million.

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

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.

Since its inception, the program has helped fund 207 capital improvement projects to railroads and shippers, 25 rail line rehabilitation projects, five purchase assistance projects to regional rail authorities and 17 rail bank purchase projects.

Project Timeline

Timelines for projects funded under this program will not be known until funds are appropriated, project applications are solicited and projects are selected. Projects will be required to meet project delivery timelines in order to be eligible for funding.

Other Considerations

Traditionally, demand for the loan program fluctuates based on the economy, condition of the freight rail system, commercially available interest rates, emerging trends and many other factors. The grant program, signed into law in 2017, will allow for funding of projects supporting economic development that may not otherwise qualify for public or private financing. It will also work to further the goals of the MRSI Program.

Impact on Agency Operating Budgets

This would fund an existing program. There is no impact to state operating budgets at this time.

Description of Previous Appropriations

2012 $0.0
2013 $0.0
2014 $0.0
2015 $0.0
2016 $0.0
2017 $1.0 million in GO Bond (grants only)

Since the 1970s, between $1.0 million and $12.0 million has been appropriated for this program or direct projects each biennium. Direct project level appropriations (both state bonding and federal assistance) are also administered through the MRSI Program.

Project Contact Person

Peter Dahlberg
Office of Freight and Commercial Vehicle Operations Program Manager
651-366-3693
Peter.Dahlberg@state.mn.us

Governor's Recommendation

The Governor does not recommend capital funding for this request.

($ in thousands)

Minnesota Rail Service Improvement Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	$ 1,000	$ 8,000	$ 8,000	$ 8,000
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 1,000**	**$ 8,000**	**$ 8,000**	**$ 8,000**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
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	$ 1,000	$ 8,000	$ 8,000	$ 8,000
Relocation Expenses	$ 0	$ 0	$ 0	$ 0
One Percent for Art	$ 0	$ 0	$ 0	$ 0
Occupancy Costs	$ 0	$ 0	$ 0	$ 0
Inflationary Adjustment	$ 0	$ 0	$ 0	$ 0
TOTAL	**$ 1,000**	**$ 8,000**	**$ 8,000**	**$ 8,000**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	$ 0	$ 0	$ 0
Operating Budget Impact ($)	$ 0	$ 0	$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	$ 8,000	100 %
User Financing	$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	Yes
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

($ in thousands)

Highway Railroad Grade Crossing - Warning Device Replacement

AT A GLANCE

2018 Request Amount:	$12,000
Priority Ranking:	6
Project Summary:	$12 million in state funds to replace approximately 40 aging highway/rail grade crossing safety gates and signal warning systems across the state.

Project Description

This capital request will provide funding 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 percent 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 1,500 railroad highway/rail grade crossings signals in the State of Minnesota. The normal life cycle for highway/rail grade crossing signals is 20 years. These signal systems need to be replaced as they get to the end of their design life. Based on MnDOT's inventory data, there are over 300 signal systems that should be replaced. In order to manage this process, 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 75 signal systems per year. To date, sufficient funding has not yet been identified.

Since older signal systems tend to experience more problems with malfunctioning equipment than newer equipment, signal modernization needs to be an integral component of MnDOT's efforts to maintain safety at highway/rail grade crossings.

MnDOT estimates it would cost approximately $22.5 million per year (75 crossings per year x $300,000) to fully address the state's highway/rail grade crossing signal modernization needs.

Project Timeline

- Project selection, includes solicitation, technical review, estimate: 4 months
- Agreement development and execution: 2 months
- Project Construction: up to 18 months
- Project Closeout, includes final inspection, audit: 4 months

Other Considerations

A portion of appropriated funds for this activity may be used for consultant project management assistance. A small portion of federal funds may be included in each project to ensure pre-emption of state and railroad tort liability.

Impact on Agency Operating Budgets

The funding of this program will require resources to develop and administer the contracts. Since this program is not eligible for trunk highway funds, general funds will be needed to support the program.

Description of Previous Appropriations

2010	$2.5 million GO Bond
2011	$3.0 million GO Bond
2012	$2.0 million GO Bond
2014*	$2.0 million GO Bond
2017	$1.0 million GO Bond

*The 2014 legislature (2014 Minnesota Session Laws, Chapter 294, Article 1, Section 16 Subd 5) provided a $2 million GO Bond appropriation "to design, construct, and equip new rail grade crossing warning safety devices of active highway/rail grade crossings or to replace active highway/rail grade warning safety devices that have reached the end of their useful life." These funds were used to replace six antiquated equipment projects and three other safety upgrades.

In addition to this funding, the program receives $1 million annually from the Minnesota Grade

Crossing Safety Account in the Special Revenue Fund (Minnesota Statute 219.1651). This account is used for smaller safety improvements at crossings such as circuitry upgrades.

Project Contact Person

Tim Spencer
Freight and Rail Planning Supervisor
651-366-3702
Timothy.Spencer@state.mn.us

Governor's Recommendation

The Governor does not recommend capital funding for this request.

($ in thousands)

Highway Railroad Grade Crossing - Warning Device Replacement

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	$ 5,000	$ 12,000	$ 12,000	$ 12,000
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 5,000**	**$ 12,000**	**$ 12,000**	**$ 12,000**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	$ 0	$ 0	$ 0	$ 0
Predesign Fees	$ 0	$ 0	$ 0	$ 0
Design Fees	$ 0	$ 0	$ 0	$ 0
Project Management	$ 0	$ 500	$ 500	$ 500
Construction	$ 5,000	$ 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
TOTAL	**$ 5,000**	**$ 12,000**	**$ 12,000**	**$ 12,000**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
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.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

($ in thousands)

Local Bridge Replacement Program

AT A GLANCE

2018 Request Amount:	$100,000
Priority Ranking:	7
Project Summary:	$100 million in state funds for the rehabilitation or replacement of local bridges across the state.

Project Description

This capital request will provide funding to replace or rehabilitate deficient bridges owned by local governments throughout the state. The 2016 Bridge Annual Report identifies 15,077 deficient bridges on the local system. Of these, over 1,000 are structurally deficient with a sufficiency rating less than 80 and/or are functionally obsolete. The average construction cost to replace a bridge in 2017 was $440,000. Counties and cities have passed city council or county board resolutions prioritizing 1,014 deficient bridges for replacement over the next five years with an estimated total replacement cost of $560 million. To date in 2017, 141 statewide local bridge projects, totaling $61 million in construction costs, have been funded from the following sources: federal aid ($6.4m), state aid ($19.4m), state bonds ($15.1m), township ($13.0m), and local ($7.1m) funds.

Project Rationale

Preserving the structural integrity and historic heritage of Minnesota's bridges is a top priority for 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, including federal-aid, state-aid and town bridge funds and 2) for engineering and construction of local city bridges with a population less than 5,000 and county and city bridges that have no other funding source. The majority of these bridges require local governments to assume costs for design and construction engineering, right of way, bridge removal and items not directly attributable to the bridge, such as approach grading and roadway surfacing costs.

A small percentage of local bridges compete for federal aid through the Area Transportation Partnership (ATP) process. These federal projects require matching local funds and bridge bond funds are considered a first priority for the local match on federal bridge projects in the State Transportation Improvement Plan (STIP). The current STIP has 21 bridge projects identified for funding in this biennium (18/19), with $20 million in federal funds requiring $50 million in additional local match funding.

In 2017, 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 major bridges on the priority bridge replacement list are Bridge 62080 (Kellogg Ave. over I-94) in St. Paul and the Historic Duluth Lift Bridge, Bridge L6116. Both are significant to cities transportation network. Estimated replacement cost for the St. Paul Kellogg Avenue Bridge is approximately $60 million and the rehabilitation cost of the Historic Duluth Lift Bridge is approximately $10 million. In 2014, the rehabilitation of the historic Franklin Ave. over Mississippi River cost $43 million funded with a combination of funding sources including $12.3 million of state transportation bond funds.

Project Timeline

The bridge program has projects designed, approved and waiting for funding. Typically the time line for awarding bridge projects is winter/spring in order to have a full construction season to build the bridges. Counties and cities anticipate funding in the bridge program and have projects in various stages of design ready to go. The program has a history of being able to spend the funds within the biennium the funding is approved. Currently, plans are approved or in various stages of design anticipating the funding.

Other Considerations

None

Impact on Agency Operating Budgets

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

Description of Previous Appropriations

2012 $30.0 million GO Bond
2014 $12.3 million GO Bond
2014 $20.7 million General Fund
2015 $7.41 million GO Bond
2016 $00.0
2017 $49.212 million in GO Bond

Laws 2017 Special Session, Ch. 8

City of Isle - Malone Island, $800,000

City of Minneapolis - 10th Ave Bridge, $31.875 million

Local Bridge Replacement Program Only, $16.537 million

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.

($ in thousands)

Local Bridge Replacement Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	$ 98,922	$ 100,000	$ 100,000	$ 100,000
General Fund Cash	$ 20,700	$ 0	$ 0	$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 119,622**	**$ 100,000**	**$ 100,000**	**$ 100,000**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
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	$ 119,622	$ 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
TOTAL	**$ 119,622**	**$ 100,000**	**$ 100,000**	**$ 100,000**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
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.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

($ in thousands)

Local Road Improvement Program

AT A GLANCE

2018 Request Amount:	$100,000
Priority Ranking:	8
Project Summary:	$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

This capital request is for the Local Road Improvement Program. This will provide funding assistance to local agencies for construction, reconstruction or reconditioning projects. This includes:

- $20 million to assist counties with rural road safety projects to reduce traffic crashes resulting in deaths, injuries and property damage.
- $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.
- $10 million to assist local agencies with paying for the local share of improving trunk highways through their communities.

Project Rationale

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

State assistance is needed to supplement local efforts 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 (Minnesota Statute 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, deaths, injuries and property damage.

Project Timeline

The Local Road Improvement Program is managed by open solicitation (unless the legislature selects the projects). After counties and state aid cities apply for the funding, there is six to nine months for

project selection, followed by construction of projects in a two to three year cycle.

Other Considerations

None

Impact on Agency Operating Budgets

Administration of this program is funded with existing budgets within MnDOT's State Aid for Local Transportation Division.

Description of Previous Appropriations

2012 $10.0 million GO Bond

2014 $30.0 million General Fund

2014 $24.4 million GO Bond

2015 $8.9 million GO Bond

2016 $0.0

2017 $115.93 million GO Bond

Laws 2017 Special Session, Ch.8:

$90.63 million for Legislatively identified projects

$25.3 million for Local Road Improvement Program only

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.

($ in thousands)

Local Road Improvement Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	$ 159,232	$ 100,000	$ 100,000	$ 100,000
General Fund Cash	$ 30,000	$ 0	$ 0	$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 189,232**	**$ 100,000**	**$ 100,000**	**$ 100,000**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
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	$ 189,232	$ 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
TOTAL	**$ 189,232**	**$ 100,000**	**$ 100,000**	**$ 100,000**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
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.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

($ in thousands)

State Plane Purchase

AT A GLANCE

2018 Request Amount:	$9,000
Priority Ranking:	9
Project Summary:	$9 million in state funds to purchase two aircraft for the air transportation service and the sale of the current aircraft, the King Air C90 (55MN) and King Air 200 (70MN).

Project Description

This funding request is for the replacement of two existing aircraft. Per Minnesota Statute 360.024, MnDOT provides air transportation service for conducting state business. MnDOT Aeronautics has been managing this air transportation service 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 and an overnight stay, including meal reimbursements, ultimately requiring two full business days. Flying is only two hours round-trip. Most of the State of Minnesota is within one hour fly time of the Saint Paul downtown airport. MnDOT uses a fly vs. drive calculator to help evaluate whether a trip is cost effective. As a result, our average flight includes as least four passengers and our one-way trip time is typically less than one hour.

Agencies pay for this service based on a rate allowable under Minnesota Statute 360.024. 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.

Project Rationale

The aircraft used for the air transportation services are aging. 55MN is 36 years old, and 70MN is 24 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 five 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 36-year old airplane has been in maintenance 17 percent more days than the 24-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 2018 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 Timeline

N/A

Other Considerations

The final aircraft type would be determined through the request for proposal and subsequent

procurement process. The estimated cost of purchasing two new aircraft, with the sale proceeds from the older aircraft, should be no more than $9 million depending on the market value of the used planes.

Impact on Agency Operating Budgets

Maintenance costs would be reduced on current aircraft.

Description of Previous Appropriations

None

Project Contact Person

Cassandra Isackson
Aeronautics Office Director
651-234-7210
Cassandra.Isackson@state.mn.us

Governor's Recommendation

The Governor does not recommend capital funding for this request.

($ in thousands)

State Plane Purchase

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Fund Cash	$ 0	$ 9,000	$ 0	$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 0**	**$ 9,000**	**$ 0**	**$ 0**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
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	$ 9,000	$ 0	$ 0
Inflationary Adjustment	$ 0	$ 0	$ 0	$ 0
TOTAL	**$ 0**	**$ 9,000**	**$ 0**	**$ 0**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	$ 0	$ 0	$ 0
Operating Budget Impact ($)	$ 0	$ 0	$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	$ 0	
User Financing	$ 0	

STATUTORY REQUIREMENTS	
The following requirements will apply to projects after adoption of the bonding bill.	
Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	N/A
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	N/A
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	N/A
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A

($ in thousands)

Safe Routes to School Infrastructure Program

AT A GLANCE

2018 Request Amount:	$3,000
Priority Ranking:	10
Project Summary:	$3 million in state funds for a solicitation of infrastructure projects that increase safe and convenient opportunities for children to walk and bicycle to school in communities across Minnesota.

Project Description

This capital request is to provide assistance in funding infrastructure projects that provide children with safe walking and bicycling routes to and from school. In 2012, the Legislature created a state Safe Routes to School (SRTS) Program, under Minnesota Statute 174.40. This capital funding will assist local communities in Minnesota by building infrastructure that increases bicycling and walking options for children near schools, leading to increased safety.

Project Rationale

In 2006, a federally-funded SRTS program provided grants to Minnesota communities to increase opportunities for children to walk and bicycle to and from school. Demand for the program exceeded funding under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) federal appropriation. However, targeted federal funding was not identified specifically for the this program under the Moving Ahead for Progress in the 21st Century (MAP-21) or the Fixing America's Surface Transportation (FAST) Act federal authorization bills.

In the previous two solicitations from 2013 and 2014, 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 and providing an opportunity for physical activity which decreases obesity, improves health and supports academic achievement.

Project Timeline

Summer 2018 – Application Materials Developed

Fall 2018 – Solicitation Opens and Applications Available

Winter/Spring 2019 – Project Selections Made and Announced

Summer 2019 – Contracting Begins

Summer 2021 – Projects Completed

Other Considerations

SRTS supports goals of many organizations that are working towards safety, health and educational excellence of school children. The program provides a cost-effective way for the state to invest in

providing 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 include Minnesota Department of Health and over 35 other organizations that supported the 2014-2017 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 traveling environment for students and patrons.

Impact on Agency Operating Budgets

The proposed projects have no impact on state operating budgets as the program is already administered.

Description of Previous Appropriations

2014 $1 million General Fund

2017 $1 million GO Bond

Project Contact Person

Tim Sexton
Office of Transit Director
651-366-3622
Timothy.Sexton@state.mn.us

Governor's Recommendation

The Governor does not recommend capital funding for this request.

($ in thousands)

Safe Routes to School Infrastructure Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	$ 1,000	$ 3,000	$ 3,000	$ 3,000
General Fund Cash	$ 1,000	$ 0	$ 0	$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 2,000**	**$ 3,000**	**$ 3,000**	**$ 3,000**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
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	$ 2,000	$ 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
TOTAL	**$ 2,000**	**$ 3,000**	**$ 3,000**	**$ 3,000**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
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.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
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

2018 Request Amount:	$10,000
Priority Ranking:	11
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.

Project Description

This capital request is for the Port Development Assistance Program. The purpose of this program is to:

- Expedite the movement of commodities and passengers on the commercial navigation system.
- Enhance the commercial vessel construction and repair industry in Minnesota.
- Promote economic development in and around ports and harbors in the state.

Eligible projects are funded by program grants that provide up to 80 percent state funds and a minimum 20 percent local share.

Past project examples include replacement of a warehouse roof, rehabilitation of a barge terminal dock wall, a newly constructed municipal dock and rehabilitation of a dock area for truck parking.

Project Rationale

The Port Development Assistance Program helps to improve access to waterway transportation that benefits Minnesota industries and the public by upgrading facilities and infrastructure, as well as rehabilitating and expanding port capacity.

As part of the capital budget request process, the four public ports provided a $30-40 million list of future project needs for 2018 and beyond. The $10 million request will be prioritized based on need, employment generated and overall economic benefit.

Project Timeline

Example project timeline:

July 1, 2018 - State Register Notice of Funds Availability/Request for Project Proposal Applications

September 30, 2018 - Deadline for Submission of Application

March 30, 2019 - Execution of Grant Agreement(s)

April 1, 2019 – March 30, 2021 – Project Construction

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 Assistance funds to complete a total road project that would not have been possible without this partnership.

Impact on Agency Operating Budgets

The funding of this program will have no impact on department operating budgets or state operating subsidies.

Description of Previous Appropriations

2012 $1.0 million GO Bond
2014 $2.0 million GO Bond
2015 $3.0 million General Fund
2017 $5.0 million GO Bond

Since 1996, between $0.5M and $5.0M has been appropriated for this program each biennium.

Project Contact Person

Patrick Phenow
Office of Freight and Commercial Vehicle Operations, Ports and Waterways Program Manager
651-366-3672
Patrick.Phenow@state.mn.us

Governor's Recommendation

The Governor does not recommend capital funding for this request.

($ in thousands)

Port Development Assistance Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	$ 8,000	$ 10,000	$ 10,000	$ 10,000
General Fund Cash	$ 3,000	$ 0	$ 0	$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 11,000**	**$ 10,000**	**$ 10,000**	**$ 10,000**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
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	$ 11,000	$ 10,000	$ 10,000	$ 10,000
Relocation Expenses	$ 0	$ 0	$ 0	$ 0
One Percent for Art	$ 0	$ 0	$ 0	$ 0
Occupancy Costs	$ 0	$ 0	$ 0	$ 0
Inflationary Adjustment	$ 0	$ 0	$ 0	$ 0
TOTAL	**$ 11,000**	**$ 10,000**	**$ 10,000**	**$ 10,000**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	$ 0	$ 0	$ 0
Operating Budget Impact ($)	$ 0	$ 0	$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	$ 10,000	100 %
User Financing	$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

($ in thousands)

Passenger Rail Program

AT A GLANCE

2018 Request Amount:	$11,000
Priority Ranking:	12
Project Summary:	$11 million in state funds to provide non-federal matching funds for the implementation of passenger rail services along several corridors in the state and connecting Minnesota to the upper Midwest. These corridors include a second daily Amtrak train between Chicago and the Twin Cities, the development of other corridors identified in the most recent 2015 State Rail Plan and the Northern Lights Express (NLX) service to Duluth.

Project Description

This capital request will be used to continue passenger rail corridor development work for new and expanded service, including:

- The second train to Chicago's environmental and predesign work are expected to be completed by December 2017. Currently, project financial partners include WisDOT, the La Crosse Area Planning Organization, Ramsey County Regional Railroad Authority and the Minnesota High Speed Rail Commission. Requesting $1 million to complete environmental work and service planning and $3 million for the state’s share of final design.
- There are several groups representing corridors identified in the 2015 State Rail Plan that have expressed interest in service development, including an I-35 corridor between the Twin Cities and Mankato and a project on the existing St. Cloud/Moorhead corridor. Requesting $2 million for demonstration projects.
- The NLX project has completed preliminary engineering and will have necessary environmental approval by the fall of 2017. The estimated state-share of the final design work and any supplemental environmental documentation is $5 million. Additional funding will need to be requested for construction and operations.

Project Rationale

Minnesota Statute 174.632 charges MnDOT with planning, designing, developing and constructing passenger rail services. The 2015 State Rail Plan further directs MnDOT to lead the development of passenger rail services and to participate with the Midwest Regional Rail Initiative in the development of a multi-state passenger rail system in the Upper Midwest.

Project Timeline

- The second train from the Twin Cities to Chicago project - environmental work and service planning, in 2018, final design in 2019-2020.
- Emerging corridor(s) development and/or demonstration projects TBD, beginning as early as 2018-2019.

- The NLX project - final design in 2018, construction to begin in 2019 - 2020 and operations as soon as 2020 - 2021.

Other Considerations

The $26 million in bonding from 2009 leveraged over $40 million in 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 utilize resources to 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 Trunk Highway Fund eligible. Passenger rail planning and project development activities are funded through General Fund appropriations. In addition, 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 2018-2019 the biennial appropriation is $1 million.

Description of Previous Appropriations

2009, $26 million G.O. bonds.

Project Contact Person

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

Governor's Recommendation

The Governor does not recommend capital funding for this request.

($ in thousands)

Passenger Rail Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	$ 0	$ 11,000	$ 0	$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 0**	**$ 11,000**	**$ 0**	**$ 0**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	$ 0	$ 0	$ 0	$ 0
Predesign Fees	$ 0	$ 1,300	$ 0	$ 0
Design Fees	$ 0	$ 6,807	$ 0	$ 0
Project Management	$ 0	$ 2,893	$ 0	$ 0
Construction	$ 0	$ 0	$ 0	$ 0
Relocation Expenses	$ 0	$ 0	$ 0	$ 0
One Percent for Art	$ 0	$ 0	$ 0	$ 0
Occupancy Costs	$ 0	$ 0	$ 0	$ 0
Inflationary Adjustment	$ 0	$ 0	$ 0	$ 0
TOTAL	**$ 0**	**$ 11,000**	**$ 0**	**$ 0**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
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	$ 11,000	100 %
User Financing	$ 0	0 %

STATUTORY REQUIREMENTS	
The following requirements will apply to projects after adoption of the bonding bill.	
Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
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M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A