Transportation, Department of

Projects Summary
($ in Thousands)

Project Title	2008 Agency Priority Ranking	Agency Project Request for State Funds ($ by Session)				Governor's Recommendations 2008	Governor's Planning Estimate	
		2008	2010	2012	Total		2010	2012
Local Bridge Replacement Program	1	$70,000	$70,000	$70,000	$210,000	$225,000	$0	$0
Urban Partnership Agreement (UPA)	2	33,778	0	0	33,778	33,778	0	0
Local Road Improvement Fund Grants	3	30,000	30,000	30,000	90,000	30,000	30,000	30,000
Mankato Headquarters Building	4	23,983	0	0	23,983	23,983	0	0
Carver County Partnership-Chaska TS	5	8,649	0	0	8,649	8,649	0	0
Greater MN Transit Facilities	6	4,000	4,000	4,000	12,000	0	0	0
Rail Service Improvement	7	3,000	3,000	3,000	9,000	0	0	0
Port Development Assistance	8	3,000	3,000	3,000	9,000	0	0	0
Design Fees-Rochester and Maple Grove	9	2,000	2,000	2,000	6,000	2,000	0	0
Arden Hills Training Center Addition		0	5,627	0	5,627	0	0	0
Eden Prairie Truck Station		0	0	4,500	4,500	0	0	0
Maple Grove/Osseo Truck Station		0	13,000	0	13,000	0	0	0
Plymouth Truck Station		0	0	5,000	5,000	0	0	0
Rochester TS Construction		0	13,000	0	13,000	0	0	0
Total Project Requests		$178,410	$143,627	$121,500	$443,537	$323,410	$30,000	$30,000

Agency Profile At A Glance

FY 2008-09 Budget (000s)

♦ Operating budget	$1,222,808
♦ Capital expenditure	1,346,651
♦ Grants	1,553,096
♦ Total	$4,122,555

Mn/DOT's primary source of financing is the Trunk Highway Fund, which is supported by motor fuel taxes, motor vehicle registration fees, and motor vehicle sales taxes. Other sources include federal funds and state airport funds. Less than one percent of the operating budget is from the General Fund.

Agency Purpose

The Minnesota Department of Transportation (Mn/DOT) was created by the state legislature in 1976. Its role is to develop and implement transportation policies, plans, and programs that enhance the quality of life for Minnesota citizens.

Meeting Minnesota's transportation needs, now and in the future, is one of the top policy goals of the Pawlenty-Molnau administration. Mn/DOT's work will be guided by the administration's governing principles of commitment to mission, focus on customers, simplify government, manage for results, and improvement by innovation.

Mn/DOT's vision affirms what citizens want for Minnesota: a coordinated transportation network that meets the needs of Minnesota citizens and businesses for safe, timely, and predictable travel.

Mn/DOT's mission is to improve access to markets, jobs, goods and services, and improve mobility by focusing on priority transportation improvements and investments that help Minnesotans travel safer, smarter, and more efficiently.

Mn/DOT's strategic directions are to:
- safeguard what exists;
- make the transportation network operate better; and
- make Mn/DOT work better.

Mn/DOT's investment objectives are:
- Building More – addressing congestion, supporting cost-effective investments, and pursuing long-range funding.
- Building Faster – accelerate construction and shorten construction time for highway and bridge projects, and accelerate funding for transit advantages.
- Moving Better – focus on cost-effective investments that improve safety, reduce congestion, and improve mobility.

Core Functions

State Roads – includes the construction, operation, and maintenance of the state's approximately 12,000-mile trunk highway system.

Local Roads – includes the local financial resources for county and municipal roads generated by the constitutional funding sources.

Multimodal Systems – includes supporting the use and development of cost-effective transportation modes – transit, air, railroads, and waterways – owned and operated by local governments and private operators. This includes financial investments, technical assistance, and operational reviews.

General Support – includes general department-wide administrative functions (accounting, personnel, information resources), the commissioner's office, and the policy functions of the department. It also includes the construction and centrally directed maintenance of all the department's buildings.

Operations

Highways
Mn/DOT constructs, operates, and maintains the state trunk highway system that includes nearly 12,000 miles of roads and more than 4,700 bridges. This

system carries about 61 percent of all travel for the entire 130,000-mile system of state and local roads.

Freight
Mn/DOT promotes the safe and efficient movement of freight by railroads, waterways, and motor carriers by managing investment programs, administering construction projects, ensuring compliance with statutes, and developing freight policies.

Aeronautics
Mn/DOT promotes general and commercial aviation throughout the state, and provides services including aircraft registration, airport development, aviation system planning, aviation education, and government aircraft services.

Transit
Mn/DOT provides statewide leadership in the development and implementation of transit systems, including management of state and federal funds for greater Minnesota public transit, planning activities associated with bicycle and pedestrian systems, planning and construction of commuter rail, and the construction of the Hiawatha Light Rail Transit (LRT) line.

Budget

Mn/DOT's investment objectives focus on building more, building faster, and moving better. Mn/DOT has used budget reallocation and innovative financing techniques totaling $825 million to advance critical road and bridge expansion, transit improvement, and safety projects by more than a total of 65 years. The 2003 Pawlenty-Molnau transportation package authorizes Mn/DOT to issue $400 million in highway bonds by accessing $425 million in advance federal funds for 2004-07. Long-term financing options can be considered to continue to make transportation improvements. Mn/DOT has prepared an activity-based budget for FY 2008-09 that reflects the actual products and services the agency delivers to customers, and incorporates a comprehensive business planning process to support investment decisions and performance measurement.

Contact

For more information about Mn/DOT, contact:

Bob McFarlin, Assistant to the Commissioner
Minnesota Department of Transportation
395 John Ireland Boulevard
Saint Paul, Minnesota 55155
Phone: (651) 366-4806
E-mail: bob.mcfarlin@dot.state.mn.us

At A Glance: Agency Long-Range Strategic Goals

- Safeguard what exists – operate, maintain, and preserve Minnesota's existing transportation systems and infrastructure.
- Make the transportation network operate better through balanced cost-effective statewide strategies.
- Make Minnesota Department of Transportation (Mn/DOT) work better by continuously improving service and efficiency in order to give citizens the best value for their tax dollars.

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

Distinct operating units have initiated the requests for projects in this budget document. The sections of this summary are explained separately by those operating units:

- The Facilities Program addresses all Minnesota Department of Transportation (Mn/DOT) owned buildings. Generally, building projects included in the capital budget cost $1 million or more. If projects are less than $1 million, they are included in the biennial operating budget.
- State Aid for Local Transportation (State Aid) addresses the need for general obligation bonds to replace deficient local bridges and to complete local road and bridge projects with statewide or regional significance.
- Office of Freight and Commercial Vehicle Operations addresses rail service improvement projects and port improvement needs, which are funded from general obligation bonds.
- Office of Transit is responsible for providing grants for operating and capital assistance to greater Minnesota public transit systems. Capital assistance for transit facilities is funded from general obligation bonds.
- Office of Traffic, Safety and Operations addresses the request for a state match for the federal Urban Partnership Agreement (UPA) program grant.

Facilities Program

Facilities need to be routinely maintained, repaired, constructed, and/or upgraded to provide support for the Mn/DOT. Space is required for administration, vehicle storage and repairs, ancillary equipment, installed facility-supporting equipment, and office space. All facilities must be at correct locations for operations so Mn/DOT employees can efficiently and promptly respond to the highway users' needs. These facilities are constructed to respond to program requirements, new equipment demands or may be regulatory or building code driven.

Mn/DOT has continually upgraded its fleet and technological capabilities to be more efficient in constructing and maintaining the transportation infrastructure, while providing for the safety of the public and the Mn/DOT work force. This policy has impacted the ability to store, maintain, and maneuver the equipment at many truck stations and district headquarters. As an example, trucks have gone from a single axle, 33-foot length, to a double axle vehicle, requiring 44 feet to park. Other equipment, attachments and technical enhancements also require larger storage capabilities and maneuvering space. Increased use of sophisticated hydraulic systems and computer technology require warm storage for the maximum efficient use and life cycle.

Retaining this large and diverse fleet greatly affects the space and air quality conditions of existing facilities:

- Existing buildings require additional space to accommodate larger vehicles and support spaces; and
- Diesel engines emit fumes that are difficult to diffuse and require extensive mechanical retrofit.

While Mn/DOT was shifting to larger equipment, building codes and environmental regulations and Occupational Safety and Health Administration (OSHA) procedures also grew more complicated. Additional facilities systems such as fire sprinklers, Americans with Disabilities Act (ADA) requirements, along with asbestos removal requirements, have expanded facility size and complexity. Some of these regulations have required a shift from field maintenance positions to design and compliance professional positions, which require additional administrative and support spaces.

State Aid

In 1976, the legislature began a program of state bond funds to replace deficient bridges on the local roads system. It was recognized at that time that the number of aging bridges and the need for replacement was so great that the local agencies needed state assistance in addressing the needs. The number of bridges becoming deficient in Minnesota is increasing as bridges built after World War II get older. Additionally, the increase in truck weights and the size of farm machinery directly affect the structural and functional condition of bridges.

In 2002, the legislature created a program to assist local agencies with the construction of road and bridge projects that are on the local system, and that have statewide or regional significance or are associated with trunk highway corridor improvements. A study completed for the legislature in January of 2002 identified several types of local transportation projects that are of importance to the state, but are beyond the means of local agencies to fund, and cannot reasonably be funded by existing state or federal programs.

Local agency transportation projects will compete on a statewide basis. Eligibility for funding will consider the significance and benefit of the project as well as the local agency's ability to provide partial funding.

Freight and Commercial Vehicle Operations

The Minnesota Rail Service Improvement (MRSI) Program was created in 1976. The MRSI Program has received General Fund appropriations totaling $9.6 million and general obligation bond appropriations totaling $27.0 million over the life of the program. These funds were granted or loaned to rail users and rail carriers to rehabilitate deteriorating rail lines, to improve rail-shipping opportunities, and to preserve and maintain abandoned rail corridors for future transportation use.

With the numerous changes in the railroad industry, particularly in the larger railroads, the need for shortline and regional railroads has increased significantly. The influx of mergers has created additional spin-off and abandoned rail lines. This has increased the demand for the MRSI Program. Rural communities in Minnesota depend on reliable rail service. With the entrance of longer and heavier trains, rail shippers must upgrade their rail spurs, storage facilities, and loading/unloading facilities to utilize rail as a transportation alternative. Minnesota short lines and regional railroads must continue to provide reliable and competitive choices for shippers by rehabilitating and improving their rights-of-way and other rail facilities.

In 1991, M.S. chapter 457A established the Port Development Assistance Program, a program similar to the MRSI Program. Its purpose is to provide grants in partnership with local units of government and port authorities for port and terminal improvements that would improve shipping on Minnesota's commercial waterway system. Eligible projects include improvements, repairs, and construction of terminal buildings and equipment, railroad and roadway access, dock walls, piers, storage areas, and dredging harbor sediment. Passenger boat facilities and commercial fishing terminal facilities are also eligible as well as freight terminals. Project locations must be on navigable portions of the Mississippi, the Minnesota, and the St. Croix rivers or on the North Shore of Lake Superior. Since 1996, $17.5 million has been appropriated for the Port Development Assistance Program.

Transit

There is an increasing need and demand in greater Minnesota for transportation alternatives. Providing the State funding match for transit facilities will assist providers in getting the longest possible life from their vehicles. This aligns with Mn/DOT's objective to preserve the transportation infrastructure and corresponds to the measure that seeks to improve the overall condition of the greater Minnesota public transit fleet.

Mn/DOT will partner with public transit systems in greater Minnesota to provide efficient and economical facilities and a healthy and safe workplace for employees.

Traffic, Safety and Operations

Mn/DOT and the Metropolitan Council have jointly submitted an application to the US Department of Transportation to be considered for the Urban Partnership (UPA) program. Under this program, government units at all levels propose a comprehensive approach to urban congestion in their metropolitan area. Minnesota has been selected for a grant totaling $133 million for all jurisdictions in the partnership.

Long-range strategic plans by program

Facilities Program
Long-range goals of Mn/DOT regarding facilities are to safeguard what exists and make Mn/DOT work better. To meet those goals, the Facilities Program will:

Provide facilities that meet the following goals and criteria:

- **Facilities that are functionally and energy efficient:**
  - ⇒ Facilities should foster productivity by allowing employees to safely produce a maximum amount of output with a minimum amount of effort;
- **Facilities that are flexible:**
  - ⇒ Buildings should enable change to the interior organization, to reorganize work systems and processes with a minimum of cost and disruption; and
  - ⇒ support the ability to expand the facility footprint, or provide site enhancements with a minimum disruption of existing functions;
- **Facilities that perform to standards:**
  - ⇒ Facilities should provide safe, adequately sized heated storage space for snow and ice removal equipment; and
  - ⇒ provide adequate training and meeting facilities, lunchrooms, and rest rooms for maintenance workers;
- **Facilities that require minimum maintenance;**
- **Facilities that are pleasing to the eye and complement the surrounding environment:**
  - ⇒ Buildings should use creative design elements to economically provide a distinctive and pleasing appearance; and
- **Facilities that are sustainable:**
  - ⇒ Facilities should provide an office environment for employees using the most efficient and safe technology and ergonomics.

State Aid
One of Mn/DOT's goals is to make the transportation network operate better by maintaining the mobility of the traveling public. Bridges are critical links in the transportation network and replacing those which are deficient will help Mn/DOT to meet the goal of providing mobility for people and goods.

Mn/DOT State Aid Division's long range budget plan is to maintain a continuous adequate level of funding for a local bridge replacement program so that the number of deficient bridges can be reduced and maintained at an acceptable number, even as the number of bridges becoming deficient each year is increasing.

In addition to local bridges, there is a need for state assistance with certain local agency road and bridge projects that cannot be reasonably funded through existing programs. Mn/DOT State Aid's long-range goal is for a program using such funds as the legislature may allocate to construct these regionally beneficial projects.

Freight and Commercial Vehicle Operations
Mn/DOT's strategic plan reflects a commitment to operate, maintain, and preserve Minnesota's transportation systems and infrastructure. The Federal transportation authorization act (SAFETEA-LU) language reinforces that direction by emphasizing the need for states to be more intermodal in their approach to addressing transportation solutions. Railroads and waterways are integral parts of Minnesota's transportation network.

Two of Mn/DOT's strategic directions are:

- safeguard what exists, and
- make the transportation network operate better.

Continued investment in the MRSI Program and the Port Development Program are critical elements of the transportation investment strategy to accomplish these important Mn/DOT directions.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

Facilities Program
Mn/DOT has 1,050 facilities with approximately 5.5 million square feet at over 300 locations. These facilities include headquarters buildings, truck stations, cold storage, salt storage, rest areas, weight stations, and radio/communications sites. Increases in equipment sizes, environmental regulations, building code changes and the lack of adequate administrative space are the primary justifications for recent facility projects. Of the 143 truck stations currently in the Mn/DOT inventory, 39 are considered

functionally inadequate. “Functionally inadequate” means truck bays are too small, mechanical equipment inadequate, or buildings have other problems which prevent them from fully carrying out their intended function.

State Aid
As of October 2006, 1,831 of 14,695 bridges on the local road system were either structurally deficient or functionally obsolete. A structurally deficient bridge indicates poor condition of the structural elements of the bridge. A functionally obsolete bridge has such poor geometry, usually a narrow width, that it poses a safety hazard to the motorist.

Although the state provides state aid for local roads and bridges, there are projects on the local system that are of importance to the state or region that cannot be reasonably funded through the existing state aid system. Reasons why include the agency does not receive state aid include: that the project is unique and too large for the formula to consider, or the need for the project comes from an external cause such as economic development or rapid growth.

These roads and bridges are critical links in the state’s transportation system and must be serviceable to move people and goods where needed.

Freight and Commercial Vehicle Operations
Minnesota’s rail and waterway systems are vital elements of the state transportation infrastructure and provide essential services for the competitive movement of bulk products in and out of Minnesota. Preservation and improvement of rail and waterway systems is crucial to the state’s economy.

Some of Minnesota’s shortlines and regional railroads need improvements and rehabilitation to continue providing reliable and competitive choices for shippers. Without assistance from the MRSI Program many of these railroads will be abandoned and shippers forced to either truck all their freight, relocate along a Class 1 railroad, go out of business, or leave the state.

Current needs for expensive rail replacement projects to accommodate heavier rail cars are an enormous burden on Minnesota’s shortline and regional railroads. These railroads need access to low – or no-interest loans to rehabilitate their track and continue their economic viability. The MRSI Program was established to meet these needs.

The physical infrastructure of Minnesota’s Mississippi River and Lake Superior ports need rebuilding and updating to keep Minnesota competitive with other waterway states. Some of the projects that need rebuilding are too large for the local port authorities to finance on their own. The Waterway Transportation System is a low cost, environmentally friendly freight mode that will keep Minnesota producers competitive in world markets (i.e. agriculture and taconite industries). The waterways will help reduce roadway congestion especially as our population and freight needs grow.

Aging, extensive use, and fluctuating lake and river levels increase the deterioration of dock walls, piers, and mooring cells. Without a funding program, our ports will continue to deteriorate to a point where it will be more costly later and possibly too late to respond to shippers’ needs.

Transit
Some Greater Minnesota transit systems are forced to lease space configured for other uses, while others have no option but to park buses out of doors, even in the winter months. Availability of appropriate space for vehicles and maintenance capability is important to preserve critical community services.

Past transit facility projects have included rehabilitated and newly constructed buildings in Crookston, Roseau, Fairmont, and Carlton County. In addition, facility projects are in various stages of construction in Hibbing, Marshall, Thief River Falls, Willmar, Clay County, Goodhue County, and Stearns County.

Funding for facilities has made a significant difference in the ability of transit systems to manage their fleets and provide quality service to Minnesota citizens.

Traffic, Safety, and Operations
Mn/DOT has previously applied state and federal money to innovative congestion mitigation measures both on and off the highway system. These programs include Value Pricing and the federal Congestion Management/Air Quality program. The UPA program integrates these and other funding

sources and requires a joint proposal by multiple jurisdictions with transportation responsibilities within the Twin Cities metropolitan area.

Agency Process Used to Arrive at These Capital Requests

Facilities Program
Every two years, Mn/DOT performs a Facility Assessment of all Mn/DOT facilities. These assessments review nine functional areas, use a weighted scoring system and provide a comprehensive look at the facility condition, suitability and functionality. Mn/DOT recently adapted this assessment to provide the Facility Condition Audit information required annually by the legislature. The Facilities Program now performs facilities assessments on chemical storage structures and is working with the Mn/DOT Office of Technical Support to develop a baseline assessment of all rest areas, which will include Americans with Disabilities (ADA) Act requirements.

Annually, Mn/DOT uses the Facility Assessment and District meetings while in the building budget process, to determine, with building users and division staff, the deficiencies and needs for immediate and future building space and renewals. The assessment is then consolidated and prioritized by score. The top 10-15 projects are reviewed by the Facilities Program professional staff for consistency and need. Priorities are developed, presented to the Districts for review, and then provided to the commissioner's staff for concurrence and approval. This process results in a comprehensive eight to ten year construction plan.

This process also develops annual required maintenance and repair projects. Presently, the plan lists over 300 maintenance and repair projects scheduled for completion this year. Also listed are over 60 smaller ongoing projects over the next four biennia that are currently not funded, with an estimated cost of over $32 million. The plan also identifies 14 major projects, with an estimated cost of over $50 million.

Mn/DOT has issued a Request for Proposals (RFP) and is currently reviewing proposals received for a pilot project to use wind energy in selected truck stations in southwest Minnesota. An additional RFP to investigate the feasibility of using ground source heat at Mn/DOT facilities is being developed.

State Aid
A 2000 legislative study to assess the demand for local bridge replacement funds concluded that the continuation of a substantial and regular replacement program is needed to address the large bridge reconstruction "wave" created by the increased number and larger deck size of bridges built in the post World War II era that are beginning to reach the end of their useful life. Capital requests are based upon a solicitation for candidate projects from cities and counties.

A 2002 legislative study identified causes for the need for an alternative funding source for local roads and estimated that need to be $50-100 million per biennium. The Local Road Improvement Fund was established for this purpose by the 2002 legislature.

Freight and Commercial Vehicle Operations
The MRSI Program is based on analysis of rail user and rail carrier applications. Those projects that are deemed economically viable and meet the Mn/DOT criteria established in the rules are funded on a priority basis as funds permit.

The Port Development Assistance Program for Minnesota is based on needs supplied by port authorities on the Mississippi River and Lake Superior and on Mn/DOT site inspections.

Transit
Annually, Mn/DOT requests that Greater Minnesota public transit systems submit ten-year capital plans. Projects from the ten-year capital plans are prioritized based on need and overall economic benefit. Mn/DOT's Office of Transit has identified a list of transit facility needs for 2008 and beyond.

Traffic, Maintenance, and Operations
This is Mn/DOT's initial application for UPA funds, although not the initial use of many of the federal funding components which make up this grant. Mn/DOT and the Metropolitan Council partnered in identifying needs and funding sources for this initiative.

Major Capital Projects Authorized in 2005 and 2006

Facilities Program
No major Mn/DOT support facilities projects were authorized by the legislature in 2005 or 2006. The 2005 legislature did authorize a $4 million base budget increase for small (under $1 million) buildings in the agency operating budget.

State Aid
In 2005 the legislature appropriated $40 million to replace or rehabilitate deficient local bridges. $55 million was appropriated in 2006 for local bridges. $10 million in 2005 and $15.3 million in 2006 were appropriated for the Local Road Improvement Fund.

Freight and Commercial Vehicle Operations
In 2005, the MRSI Program received $2.5 million. Several appropriations were designated to the MRSI Program in 2006: McLeod County Regional Rail Authority, $700,000; NE Initiative, $1.3 million; and $1 million for the Minnesota Valley Regional Rail Authority, as well as $2 million for other MRSI projects.

The Port Development Assistance program was funded at $2 million in 2005 and $3 million in 2006.

Transit
The legislature appropriated $1 million in bond funds for transit facilities for this program in 2003 and an additional $2 million in 2006.

Traffic, Maintenance, and Operations
This is Mn/DOT's first request under this program.

Agency Contact Person, Title and Phone

Mike Hagerty
Budget Director
395 John Ireland Boulevard, Mail Stop 225
Saint Paul, Minnesota 55155
Phone: (651) 366-4859
Fax: (651) 366-4910
E-mail: mike.hagerty@dot.state.mn.us

2008 STATE APPROPRIATION REQUEST: $70,000,000

AGENCY PROJECT PRIORITY: 1 of 9

PROJECT LOCATION: Statewide

Project At A Glance

- Replace 400 deficient local bridges during the 2008 construction season, maintaining our transportation infrastructure.
- Bridge projects requested in 87 counties and cities across the state. Will be supplemented with $90 million of federal bridge replacement funds, state-aid funds, and local funds.

Project Description

This request for $70 million in state funds is to replace or rehabilitate deficient bridges owned by local governments throughout the state.

One of Minnesota Department of Transportation (Mn/DOT's) priorities is to maintain and preserve Minnesota's existing transportation systems and infrastructure. Bridges are critical links in the transportation system and state financial assistance to local units of government is necessary because many structures are too costly to be replaced or rehabilitated with local funds alone.

State bridge replacement funds are used in two ways. The first way is to leverage or supplement other types of bridge replacement funding such as federal-aid, state-aid, and township bridge funds.

Federal-aid funds provide up to 80 percent of the bridge funding for eligible projects with the local governments responsible for providing the matching funds. Projects chosen for federal-aid are typically larger, more expensive projects, and even a 20 percent match is a significant cost for a local agency to bear. These funds provide the match.

On the state-aid system, these funds are used to share in the cost of bridge replacement. The high cost of bridges often makes it impractical to fund them completely with state-aid funds, and so these funds are used as a supplement. The cost split is usually 50/50.

On the township system, these funds are only used when a county has depleted its town bridge account. In those cases, these funds are used for 100 percent of the eligible construction costs.

The second way these funds are used is to provide funds for bridges that have no other source of federal-aid or state-aid funds. Bridges on the county road and city street systems are not eligible for state-aid or township bridge funds. Bridges less than 20 feet long are not eligible for federal-aid, and there are not sufficient federal-aid funds to replace all the bridges that are eligible. These funds are used for 100 percent of the eligible construction costs for county road and city street bridges.

Local government units share in the project by assuming all costs for design and construction engineering, right of way, bridge removal, and items not directly attributable to the bridge, such as approach grading and roadway surfacing costs. Whenever a bridge is replaced, it is required that the approach roadway meets current standards. The state-aid variance process is available when approach costs become unreasonable.

Other alternatives to replacing a bridge are always considered before funds are approved. Alternatives such as consolidating routes to eliminate a crossing, building a road in lieu of a bridge, and abandoning the road are common. Funds are made available, up to the cost of the equivalent replacement bridge, to make these alternative improvements practical and to remove a structure permanently from the bridge inventory.

The bridge replacement program concentrates on bridges at least 60 years old. On the local systems, there are 1,896 bridges built prior to 1946. Over the next ten years, another 661 bridges will reach that age, with another 1,445 and 1,946 in each of the following ten years after that.

The January 2000 Legislative Study of State Bridge Grant Funding for Local Bridges says that this impending wave means the state will need to implement a continuous local bridge funding program to maintain the rate of progress in the reduction of deficient local bridges that has been seen in past years. Furthermore, the demand for resources to replace and repair deficient local bridges will increase significantly due to this wave of aging bridges combined with the large deck sizes of the newer bridges.

Impact On Agency Operating Budgets (Facilities Note)

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

Previous Appropriations for this Project

In the 2006 bonding bill, $55 million was appropriated for this program and is projected to result in the replacement, rehabilitation, or removal of about 199 bridges. The 2005 bonding bill appropriated $40 million for this program.

Funding for the program was first provided in 1976. In 1977, Minnesota had 4,856 deficient bridges on the local road systems. Minnesota's bridges are aging and each year more become structurally deficient or functionally obsolete due to deterioration and increased traffic. As of October 2006, there were 1,831 deficient county, city, and township bridges in Minnesota.

Project Contact Person

Patti Loken
State Aid Programs Engineer
Mail Stop 500
395 John Ireland Boulevard
Saint Paul, Minnesota 55155
Phone: (651) 366-3803
Fax: (651) 366-3801
Email: Patti.Loken@dot.state.mn.us

Governor's Recommendations

The governor recommends general obligation bonding of $225 million for this project.

Local Bridge Replacement Program | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	767,730	110,000	135,000	135,000	1,147,730
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**767,730**	**110,000**	**135,000**	**135,000**	**1,147,730**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O. Bonds/Transp	296,406	70,000	70,000	70,000	506,406
State Funds Subtotal	296,406	70,000	70,000	70,000	506,406
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	260,709	19,000	30,000	30,000	339,709
Local Government Funds	210,615	21,000	35,000	35,000	301,615
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**767,730**	**110,000**	**135,000**	**135,000**	**1,147,730**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	70,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

2008 STATE APPROPRIATION REQUEST: $33,778,000

AGENCY PROJECT PRIORITY: 2 of 9

PROJECT LOCATION: Metro Area

Project At A Glance

The Metropolitan Council and Minnesota Department of Transportation request $54.853 million to provide local match for funding from USDOT for congestion pricing implementation, park & ride construction and intelligent transportation systems (ITS) technology projects under the Urban Partnership Agreement program.

Project Description

The Minnesota Department of Transportation (Mn/DOT) and the Metropolitan Council have been jointly awarded $133.3 million in federal funds by the U.S. Department of Transportation through the Urban Partnership Agreement (UPA) program. The project provides a comprehensive approach to congestion reduction that includes congestion pricing, transit enhancements, telecommuting/telework, and the use of advanced technologies.

In conjunction with the UPA application, Mn/DOT and Met Council have submitted federal grant applications under the Value Pricing Pilot Program (VPPP), the Intelligent Transportation System Operational Testing to Mitigate Congestion (ITS-OTMC) and Section 5309 Bus and Bus Related Capital Facilities grant programs to fund the UPA improvements.

The UPA funding must be matched with a minimum 20 percent local funding. This capital request is for the local funding required to match the federal UPA dollars, match federal (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) SAFETEA-LU dollars for two Cedar Avenue Bus Rapid Transit (BRT) project components in the UPA, and fund three UPA components that did not receive federal funding.

This total UPA state funding request is being submitted by both Mn/DOT and the Met Council. Of the $54.853 million in state funds, $33.778 million will be appropriated to Mn/DOT and $21.075 million to the Metropolitan Council.

Note: The Project Detail page that accompanies the Met Council's Project Narrative shows all costs and funding except for Mn/DOT's state request. Mn/DOT's accompanying Project Detail page shows only the Mn/DOT state request to avoid double-counting.

The complete components of the UPA project for both agencies are as follows:

Mn/DOT - Congestion Pricing: Convert I-35W High-Occupancy Vehicle (HOV) lane to a MnPASS High-Occupancy Toll (HOT) lane from Burnsville to approximately I-494 including a lane add between 106th Street and Highway (Hwy) 13, construct a HOT Lanes between I-494 and 46th Street with reconstruction of the Crosstown Project, construct a Priced Dynamic Shoulder Lane from 46th Street to downtown Minneapolis and implement arterial traffic management.

Total cost: $71.778 million
Federal funds: $47.4 million
Requested State funds: $24.378 million (trunk highway bonds)

Mn/DOT – Telecommuting/Outreach: Implement the UPA telecommuting requirement by recruiting local employers as partners to increase the number of telecommuters. Also, develop and implement an Outreach Program involving state and local elected officials and community representatives to facilitate communication and project implementation.

Total cost:	$9 million
Federal funds:	$0
Requested State funds:	$9 million (general fund)

Mn/DOT – Hwy 77 and Hwy 62 Transit Advantage: Design and construct a bus-only transit advantage from northbound Hwy 77 to westbound Hwy 62.

Total cost:	$2 million
Federal funds:	$1.6 million
Requested State funds:	$0.4 million (trunk highway bonds)

Met Council – Fleet: Purchase 26 buses for enhanced transit service in the 35W South corridor (15 buses) and the 35W North corridor (11 buses). These buses will serve the new and expanded park-and-rides being constructed as part of the UPA.

Total cost:	$13 million
Federal funds:	$10.4 million
Requested State funds:	$2.6 million (general fund)

Met Council – 35W Transit Stations/Park-and-Rides: Acquire land, design and construct three new or expanded park-and-rides in 35W corridor.

Total cost:	$32.7 million
Federal funds:	$26.16 million
Requested State funds:	$6.54 million ($6.14 million GO bonds; $0.4 million trunk highway bonds)

Met Council – Cedar Avenue BRT Transit Stations/Park-and-Rides: Accelerate land acquisition, design and construction of transit station/park-and-ride facilities at 185th Street, 147th Street, 140th Street, Palomino Drive and Cedar Grove.

Total cost:	$17.41 million
Federal funds:	$13.25 million ($8.88 million UPA; $3.62 million SAFETEA-LU; $0.75 million 5309 Appropriation)
Requested State funds:	$2.22 million (GO bonds)
Other funds:	$1.94 million ($0.67 million 2005 bonds; $1.27 million DCRRA)

Met Council – Downtown Bus Lanes: Expand single bus lanes to two lanes on Marquette and 2nd Avenues.

Total cost:	$41.56 million
Federal funds:	$33.248 million
Requested State funds:	$8.312 million (GO bonds)

Met Council – Transit Technology: Design and implement transit technology improvements including bus arrival, congestion conditions and parking availability information systems and a transit operator lane guidance system.

Total cost:	$7.015 million
Federal funds:	$5.612 million
Requested State funds:	$1.403 million (general fund)

Summary:

Mn/DOT components

Total Cost:	$82.778 million
Federal funds:	$49 million
Requested State Funds:	$33.778 million $24.778 million trunk highway bonds; $9 million general fund)

Met Council components

Total Cost:	$111.685 million
Federal funds:	$88.67 million ($84.3 million UPA; $3.62 million SAFETEA-LU; $0.75 million 5309 Appropriation)
Requested State Funds:	$21.075 million ($0.4 trunk highway bonds; $16.672 million GO; $4.003 general fund)
Other funds:	$1.94 million ($0.67 million 2005 bonds; $1.27 million DCRRA)

Impact on Agency Operating Budgets (Facilities Notes)

Toll revenues generated by the congestion pricing will be used to fund Mn/DOT start-up and ongoing HOT-Lane operations as well as expanded transit service.

The unfunded portion of the expanded transit service is anticipated to come from regional transit operating funds and fares.

Previous Appropriations for this Project

None for UPA

Previous corridor appropriations:
Cedar Ave: $10 million GO bonds in 2005; $5 million in 2006

35W BRT: $3.3 million GO bonds in 2005; $14.8 million in trunk highway bonds (BAPTA) for transit element of crosstown project.

Other Considerations

Implementation of the UPA will accelerate the 35W and Cedar Avenue BRT components of the Met Council's regional 2030 Transportation Policy Plan.

Mn/DOT start up costs, estimated at $1 million, HOT-lane operating costs, and a portion of annual transit operating costs, estimated at $3 million, will be funded by toll revenues.

Project Contact Person

Metropolitan Council
Arlene McCarthy, Director
Metropolitan Transportation Services
390 North Robert Street
St. Paul, Minnesota 55101
Phone: (651) 602-1754
Fax: (651) 602-1739
Email: Arlene.mccarthy@metc.state.mn.us

Minnesota Department of Transportation
Bernie Arseneau
State Traffic Engineer
1500 West County Road B2
Roseville, Minnesota 55113
Phone: (651) 234-7004
Fax: (651) 234-7006
Email: bernie.arseneau@dot.state.mn.us

Governor's Recommendations

The governor recommends for Mn/DOT an appropriation of $9 million from the general fund, and trunk highway bonding of $24.778 million for this project.

Urban Partnership Agreement (UPA) | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
General	0	9,000	0	0	9,000
Trunk Hwy Fund Bonding	0	24,778	0	0	24,778
State Funds Subtotal	0	33,778	0	0	33,778
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**33,778**	**0**	**0**	**33,778**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

2008 STATE APPROPRIATION REQUEST: $30,000,000

AGENCY PROJECT PRIORITY: 3 of 9

PROJECT LOCATION: Statewide

Project At A Glance

- Provide $15 million to assist counties with Rural Road Safety Projects to reduce traffic crashes, deaths, injuries, and property damage that cannot be funded through existing revenue sources.
- To provide $15 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 that cannot be funded through existing revenue sources.

Project Description

This request for $30 million in state funds is to provide funding assistance to local agencies for construction, reconstruction, or reconditioning projects of local roads with statewide or regional significance and projects on county state aid highways designed to improve safety by reducing traffic crashes, deaths, injuries, and property damage. These are local projects that cannot be reasonably funded through other sources.

Two of Minnesota Department of Transportation (Mn/DOT's) strategic directions are: investing in and improving the system of interregional corridors that connect the state's regional trade centers; and addressing congestion by improving bottlenecks on the trunk highway system in the Twin Cities metro area or greater Minnesota. Local roads provide critical connections to the states 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 the any solution for reducing congestion on trunk highways.

A study of local road funding conducted for the legislature in January 2002 found that there is a large and growing need for transportation system improvements. Existing funding mechanisms are limited in the ability to handle many of the situations and types of projects identified as important to the state of Minnesota.

State assistance is needed to supplement local effort and the highway user tax distribution fund in financing capital improvements to preserve and develop a balanced transportation system throughout the state. In 2002, the legislature created the Local Road Improvement Program (M.S. 174.52). The fund for this program has three accounts: The Trunk Highway Corridor Projects Account provides funding assistance to local agencies with the local share of costs of improving trunk highways through their communities.

The Local Road Account for Routes of Regional Significance provides funding assistance to local agency road projects that are significant to the state or region. Such projects may support economic development, provide capacity or congestion relief, provide connections to interregional corridors or other major highways, or eliminate hazards.

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.

This request is for $30 million for grants split between the Local Road Improvement Accounts for Routes of Regional Significance and Rural Road Safety.

Impact on Agency Operating Budgets (Facilities Note)

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

Previous Appropriations for this Project

In the 2002 bonding bill, $20 million was placed in the Trunk Highway Corridor Projects Account for loans. Nearly $16 million of that loan authority is left.

The 2006 bonding bill provided $16 million that was placed in the Local Road Improvement Program, divided equally between the Routes of Regional Significance and Rural Road Safety accounts. The $16 million partially funded 62 of 140 projects that were requested by local governments for the 2007 construction season.

Project Contact Person

Patti Loken, State Aid Programs Engineer
Mail Stop 500
395 John Ireland Boulevard
Saint Paul, Minnesota 55155
Phone: (651) 366-3803
Fax: (651) 366-3801
Email: patti.loken@dot.state.mn.us

Governor's Recommendation

The governor recommends general obligation bonding of $30 million for this project. Also included are budget planning estimates of $30 million in 2010 and $30 million in 2012.

Local Road Improvement Fund Grants | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	30,000	30,000	30,000	90,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**0**	**30,000**	**30,000**	**30,000**	**90,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O. Bonds/Transp	0	30,000	30,000	30,000	90,000
State Funds Subtotal	0	30,000	30,000	30,000	90,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**30,000**	**30,000**	**30,000**	**90,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	30,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

2008 STATE APPROPRIATION REQUEST: $23,983,000

AGENCY PROJECT PRIORITY: 4 of 9

PROJECT LOCATION: Mankato

Project At A Glance

- New building for Mankato District Headquarters including offices, shops, vehicle support and storage spaces
- Accommodates highway and bridge construction and maintenance services
- Provides space for Minnesota Department of Transportation (Mn/DOT) partners, the State Patrol and Division of Vehicle Services

Project Description

The project will consist of construction of a 163,000 square foot building with offices, materials testing laboratory, vehicle storage and maintenance shops, and specialty shops for bridge maintenance, radio, electrical services, signs and building maintenance. An inventory center will support all district functions. Cold storage buildings and a chemical storage facility will also be located at this site. This facility will also include shared, centralized conference rooms and reception area.

This project has been planned since predesign studies were completed in the mid-1980s as a key to providing transportation planning, design and construction for south and southwestern Minnesota, (District 7). For several reasons, emphasis has shifted from a major remodeling and rehabilitation project to new construction.

The original headquarters was constructed in 1963 and has become inadequate for current requirements. Increasing traveler needs, as well as to support the agency's long-range strategic goals such as upgrading regional corridors, require that Mn/DOT provide a capable and adequately sized facility.

- Preliminary remodeling and rehabilitation studies for the existing facilities show a very non-conforming, crowded site. Equipment storage, maintenance and personnel spaces, and ancillary storage facilities are required for support and maintenance of the District mission.

- Larger, more efficient and safer snowplows and highway equipment has required facility infrastructure to grow, adapt and become more technology oriented. In order to accommodate Mn/DOT requirements, personnel have been placed in all available nooks remotely located from others performing similar work, taking advantage of every possible space. This site cannot absorb another facility addition or other structures without having major impacts on outside vehicle, materials, heating, ventilating and air conditioning, (HVAC), and equipment storage. Placing additional funding in an inadequate facility will not satisfy present requirements.

Constructing a new facility on a larger site will allow Mn/DOT to gain efficiencies of scale and management cohesion. Mn/DOT will be able to consolidate like functions, and build a facility of a size to accommodate our larger snowplows and other highway engineering equipment. The department would take advantage of new construction methods, build to current codes, allow for future expansion, and update current technologies in construction, communication, energy management, and the health and welfare of our employees.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase moderately in the new building. One additional custodian and one additional general repair worker would be added to the current staff.

Previous Appropriations for this Project

The site was purchased in 2000 for the sum of $404,000. Design fees of $517,000 have been expended. Design is currently at 98 percent, ready for bidding.

Other Considerations

The city of Mankato is highly interested in acquiring this site in order to vacate their current facility, allowing for public works expansion and development. Because of this, Mn/DOT has acquired the new site with a previous land appropriation, at a location that is mutually acceptable to Mn/DOT, Public Safety and the city of Mankato. The city of Mankato has contributed over $836,000 of site improvements, including utilities, curb and gutter, bituminous roads and site drainage work, in support of this project.

Mn/DOT will provide better customer service through enhanced equipment availability and by prolonging the life-cycle use of taxpayer supported equipment. Mn/DOT will also partner with other state agencies in building and supporting like functions for taxpayer use by eliminating the crowded conditions of those seeking services, by providing a healthy and safe environment. This facility will support not only the Mn/DOT mission, but also those missions of our partners: the State Patrol and Drivers License Examination functions of the Department of Public Safety. This site will also include a new Transportation Operations Communications Center (TOCC), that will allow coordinated dispatching and incident management throughout the ten counties in south and southwestern Minnesota. The TOCC will serve Mn/DOT, the State Patrol and Department of Natural Resources Conservation Officers.

By deferring this project, Mn/DOT would lose the opportunity to sell the existing site to the city of Mankato for its highest potential use. Mn/DOT, the State Patrol and the Drivers License Examination Station would have to continue to work in crowded, inadequate conditions.

Project Contact Person

Richard L. Post A/A
Facilities Program Director
395 John Ireland Boulevard
Mail Stop 715
St. Paul, Minnesota 55155
Phone: (651) 366-3573
Fax: (651) 282-9904
Email: richardl.post@dot.state.mn.us

Governor's Recommendation

The governor recommends trunk highway bonding of $23.983 million for this project.

Mankato Headquarters Building | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	404	0	0	0	404
2. Predesign Fees	0	0	0	0	0
3. Design Fees	841	0	0	0	841
4. Project Management	0	250	75	0	325
5. Construction Costs	0	12,812	8,400	0	21,212
6. One Percent for Art	0	13	15	0	28
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	1,229	1,189	0	2,418
TOTAL	**1,245**	**14,304**	**9,679**	**0**	**25,228**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
Trunk Hwy Fund Bonding	0	23,983	0	0	23,983
State Funds Subtotal	0	23,983	0	0	23,983
Agency Operating Budget Funds	1,245	0	0	0	1,245
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**1,245**	**23,983**	**0**	**0**	**25,228**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	141	170	311
Building Repair and Replacement Expenses	0	106	128	234
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	247	298	545
Revenue Offsets	0	0	0	0
TOTAL	0	247	298	545
Change in F.T.E. Personnel	0.0	0.0	1.0	1.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

2008 STATE APPROPRIATION REQUEST: $8,649,000

AGENCY PROJECT PRIORITY: 5 of 9

PROJECT LOCATION: Carver County Road 147 and new Hwy 212

Project At A Glance

- A new Chaska/Carver County Truck Station
- Carver county will partner with Minnesota Department of Transportation (Mn/DOT) in the construction and operation of this truck station
- This approximate 49,000 square feet truck station facility will contain offices, shops, vehicle support, inventory space, storage spaces, and mechanics work bays. The site will also house salt storage, cold storage, and yard storage facilities
- This facility will accommodate the southwest metro area, primarily along the new Highway 212 corridor
- Located in the city of Chaska

Project Description

The project will construct, on an approximately 22.3 acre site, an approximately 49,000 square feet truck station building with offices, shops, and vehicle storage, and support areas. Cold storage and salt storage facilities will be included on the site. Part of the site is forested and will remain so.

Originally planned for construction in 2012-2014, this project has become a very high priority since the Highway 212 construction will be completed in 2008. The current undersized facility is located across the Minnesota River and many miles from the proposed location of Highway 212. Constructing a new facility on the correct side of the Minnesota River makes snowplow and highway operations more efficient, economic and timely.

Constructing on a larger site, in partnership with Carver County, will allow Mn/DOT to gain efficiencies of scale and management cohesion. Mn/DOT will be able to consolidate like functions, and build a facility of a size to accommodate our larger snowplows and other highway engineering equipment. Mn/DOT would take advantage of new construction methods, build to current codes, allow for future expansion, and update current technologies in construction, communication, energy management, and the health and welfare of Mn/DOT employees.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase moderately in this new facility. Current staff will be shifted from the existing facility to this facility.

Previous Appropriations for this Project

There have been no previous appropriations for this project.

Other Considerations

It is anticipated that Highway 212 will be in operation by 2008. In order to design, construct, and be ready and available for use prior to the opening of the highway, the design and construction of this project need to begin as soon as possible.

The increasing traveler needs, as well as the need to support the agencies' long-range strategic goals such as upgrading regional corridors, require that Mn/DOT provide a quality facility.

Carver County will be a Mn/DOT partner in this project and will occupy approximately 11 percent of the facility and will also share in the costs to construct and operate.

Mn/DOT will provide better customer service through enhanced equipment availability and by prolonging the life cycle use of taxpayer supported equipment.

Mn/DOT will also partner with Carver County in building and supporting like functions by providing an efficient and economical facility, and a healthy and safe workplace for employees.

Once completed, a number of efficiencies can be accomplished. The Mn/DOT long-range plan is to move the current Jordan Truck Station occupants to the existing Shakopee Truck Station, which will have moved into the new Chaska/Carver County Truck Station. Jordan will then be disposed of according to statute.

Project Contact Person

Richard L. Post AIA
Facilities Program Director
Mail Stop 715
395 John Ireland Boulevard
Saint Paul, Minnesota 55155
Phone: (651) 366-3573
Fax: (651) 282-9904
Email: RichardL.Post@dot.state.mn.us

Governor's Recommendation

The governor recommends trunk highway bonding of $8.649 million for this project.

Carver County Partnership-Chaska TS — ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	505	26	0	531
4. Project Management	0	355	112	0	467
5. Construction Costs	0	4,200	2,330	0	6,530
6. One Percent for Art	0	0	37	0	37
7. Relocation Expenses	0	0	40	0	40
8. Occupancy	0	0	137	0	137
9. Inflation	0	524	383	0	907
TOTAL	**0**	**5,584**	**3,065**	**0**	**8,649**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
Trunk Hwy Fund Bonding	0	8,649	0	0	8,649
State Funds Subtotal	0	8,649	0	0	8,649
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**8,649**	**0**	**0**	**8,649**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	150	160	310
Building Repair and Replacement Expenses	0	80	85	165
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	230	245	475
Revenue Offsets	0	0	0	0
TOTAL	0	230	245	475
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

2008 STATE APPROPRIATION REQUEST: $4,000,000

AGENCY PROJECT PRIORITY: 6 of 9

PROJECT LOCATION: Greater Minnesota communities

Project At A Glance

- Countywide public transit provided in 66 of 80 greater Minnesota counties
- Project supports infrastructure needs of greater Minnesota public transit systems
- Partnership program (80 percent state, 20 percent local share) to construct facilities for garaging and maintaining transit vehicles

Project Description

The Public Transit Participation Program provides grants for operating and capital assistance to fund public transit service outside the metropolitan area in 66 of 80 counties. Bond funds provide grants for capital assistance only. Greater Minnesota transit systems are maturing and experiencing the need for facilities specifically designed to meet their needs for garaging and maintaining vehicles as well as office space for dispatching and other administrative activities. In the absence of appropriate space, these functions are often separated and poorly housed. Suitable facilities add useful life to transit vehicles, provide safe storage, and improve overall vehicle and service performance.

Project proposals are prioritized based on need and overall economic benefit. Minnesota Department of Transportation's (Mn/DOT's) Office of Transit, working with greater Minnesota Transit systems and their ten year capital plans, has identified a list of potential facilities for 2008 and beyond. Past projects have included rehabilitated and newly constructed facilities in Crookston, Roseau, Fairmont, and Carlton County. In addition, facility projects are in various stages of construction in Hibbing, Marshall, Thief River Falls, Willmar, Clay County, Goodhue County, and Stearns County.

Impact on Agency Operating Budgets (Facilities Notes)

The funding of this program will have no impact on operating budgets.

Previous Appropriations for this Project

The Minnesota Legislature appropriated $1 million in bonding funds for this program in 2003. In 2006 the legislature appropriated an additional $2 million in bonding funds. These funds have made a significant difference in transit systems' ability to manage their fleets and provide quality service to Minnesota citizens.

Other Considerations

Some transit systems are forced to lease space configured for other uses, while others have no option but to park buses out of doors, even in the winter months. Availability of appropriate space for vehicles and maintenance capability is important to preserve critical community services.

There is an increasing need and demand in greater Minnesota for transportation alternatives. Providing the state funding match for transit facilities will assist providers in getting the longest possible life from their vehicles. This aligns with the department's objective to preserve the transportation infrastructure and corresponds to the measure that seeks to improve the overall condition of the greater Minnesota public transit fleet.

Mn/DOT will partner with public transit systems in greater Minnesota to provide efficient and economical facilities and a healthy and safe workplace for employees.

Project Contact Person

Donna Allan, Director
Office of Transit
Mail Stop 430
395 John Ireland Boulevard
St. Paul, Minnesota 55155
Phone: (651) 366-4161
Fax: (651) 366-4192
Email: donna.allan@dot.state.mn.us

Governor's Recommendation

The governor does not recommend capital funds for this request.

Greater MN Transit Facilities | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	5,000	5,000	5,000	15,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**0**	**5,000**	**5,000**	**5,000**	**15,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,000	4,000	4,000	12,000
General Fund Projects	0	0	0	0	0
State Funds Subtotal	0	4,000	4,000	4,000	12,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	1,000	1,000	1,000	3,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**5,000**	**5,000**	**5,000**	**15,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

2008 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 7 of 9

PROJECT LOCATION: Statewide

Project At A Glance

- Designed to preserve and improve rail-shipping opportunities in Minnesota
- Serves the freight community in Minnesota
- Provides loans and grants to regional railroad authorities, railroads, and shippers to improve rail facilities
- Typically, provides funding for approximately 20 capital improvement projects, two-three rail bank projects and one-two rehabilitations each year

Project Description

The Office of Freight and Commercial Vehicle Operations addresses rail transportation needs in part through the Minnesota Rail Service Improvement (MRSI) Program to aid rail users for rail line and rolling stock improvements necessary to improve rail service or reduce the impact of discontinuance of rail service.

With the numerous changes in the railroad industry, particularly in the larger railroads such as Burlington Northern Santa Fe, Union Pacific, Canadian Pacific, and Canadian National, the need for shortline and regional railroads has increased significantly. The influx of mergers has created additional spin-offs and abandoned rail lines. This has increased the demand for the MRSI Program.

Some of Minnesota's shortline and regional railroads are in need of rehabilitation to provide competitive choices for Minnesota's shippers. Without assistance from the MRSI Program, many of these railroads will be abandoned and shippers will be forced to truck all their freight, relocate along a Class 1 railroad, go out of business, or leave the state.

Minnesota shippers benefit from the MRSI Program through the Capital Improvement Loan Program, the Rail Line Rehabilitation Program and the Rail Bank Program.

Capital Improvement Loan Program:
- The Rail Line Rehabilitation Improvement Loan Program provides interest-free loans to shippers along Minnesota's rail lines. These funds must be used to make capital improvements to increase rail shipping. Eligible projects include construction of rail spurs, building additional grain storage, and installation of new rail loading or unloading facilities.

Rail Line Rehabilitation Program:
- The Rail Line Rehabilitation Program is a partnership program with the operating railroad, rail shippers, and Minnesota Department of Transportation (Mn/DOT). This program loans money to railroads to rehabilitate deteriorating rail lines. The program requires shipper financial participation and projects must meet Mn/DOT criteria to protect the investment of Minnesota's taxpayers.

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

The MRSI Program was created in 1976 and funding was first authorized in 1978. In 1982, a Constitutional Amendment provided for general fund obligation bonds to be used for the MRSI Program. The MRSI Program has received general fund appropriations totaling $14.5 million and general obligation bond appropriations totaling $25.5 million over the life of the program. These funds have been used for rail acquisition, rail rehabilitation and capital improvement purposes since 1978. The bond proceeds, combined with federal grants and funding from railroads, shippers, and local units of government, have driven project investments exceeding $114 million within the state of Minnesota.

Usually, MRSI investments are loans. Revenue from the repayment of these loans is placed in the Minnesota Rail Service Improvement account in the special revenue fund for future project investments. Past loans under this program have included capital improvements to build and improve rail spurs, build storage bins and improve loading into rail cars at rail shipping facilities. Rehabilitation funding is used to improve marginally operable rail lines with ties, ballast, drainage, or rail. Rehabilitation loans have included 24 major rehabilitation projects and assistance to rail authorities to purchase short lines or regional railroads within the state of Minnesota. There continues to be considerable interest on the part of shippers and railroads to participate in the MRSI Program.

Impact on Agency Operating Budgets (Facilities Notes)

This is a grant and loan program. There is no impact on state operating budgets.

Previous Appropriations for this Project

The Minnesota Legislature originally appropriated $3 million in general funds for this program in 1976. In 1977, an additional $3 million in general funds were appropriated. The legislature has appropriated funding in the following years: 1979, $3 million from the general fund; 1980, $13.5 million in bonds; 1981, $1 million from the general fund; 1984, $12 million in bonds; 2001 and 2002, $5 million and $1 million, respectively from the general fund. The 2003 legislature reduced the amount of funding available to the MRSI Program by $6.4 million for fiscal years 2004 and 2005.

In 2005 and 2006, $2.5 and $3.7 million respectively of bonding were authorized for rail service improvement.

Other Considerations

Current needs for expensive rail replacement projects to accommodate heavier rail cars are an enormous burden on Minnesota's shortline and regional railroads. These railroads need to have access to low-or no-interest loans to rehabilitate their track and continue their economic viability.

With the entrance of longer and heavier trains, rail shippers must upgrade their rail spurs, storage facilities, and loading/unloading facilities to utilize rail as a transportation alternative.

We do not anticipate that private sector lending institutions will take an increased role in this area. Loans under this program, and the short line railroad business in general, are high-risk ventures. Our experience has been that private lending institutions are reluctant to participate.

Project Contact Person

Janelle Collier, Program Manager
Minnesota Department of Transportation
Office of Freight and Commercial Vehicle Operations
1110 Centre Pointe Curve
Mail Stop 420
Inver Grove Heights, Minnesota 55120
Phone: (651) 406-4794
Fax: (651) 406-4811
Email: Janelle.collier@dot.state.mn.us

Governor's Recommendation

The governor does not recommend capital funds for this request.

Rail Service Improvement | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	106,210	8,033	11,300	10,002	135,545
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**106,210**	**8,033**	**11,300**	**10,002**	**135,545**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	25,500	3,000	3,000	3,000	34,500
General Fund Projects	16,000	0	0	0	16,000
State Funds Subtotal	41,500	3,000	3,000	3,000	50,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	19,804	1,987	0	0	21,791
Local Government Funds	0	0	0	0	0
Private Funds	24,233	3,000	3,000	3,000	33,233
Other	20,673	46	5,300	4,002	30,021
TOTAL	**106,210**	**8,033**	**11,300**	**10,002**	**135,545**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2013

2008 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 8 of 9

PROJECT LOCATION: Duluth, Minneapolis, St. Paul, Red Wing, Winona

Project At A Glance

- Project supports infrastructure needs of Minnesota's public ports on the Great Lakes and Inland River Navigation Systems.
- Partnership program to improve freight handling efficiency on Minnesota's commercial waterway systems, with typically 80 percent state and 20 percent local share.

Project Description

The Port Development Assistance Program provides a funding source that facilitates compliance with tighter environmental and safety standards, helps to ensure the continued commercial effectiveness of lake and river navigation systems, and helps to offset the increases in the general cost of commercial shipping. Minnesota's public port facilities are located in Duluth, Minneapolis, St. Paul, Red Wing, and Winona.

Project proposals are prioritized based on need, employment generated and overall economic benefit. Minnesota Department of Transportation's (Mn/DOT's) Office of Freight and Commercial Vehicle Operations, working with the state's port authorities, have identified a list of potential terminal improvement projects for 2004 and beyond. Past projects include rehabilitating or improving rail and truck access, dock walls, building roofs, sprinkler and electrical systems, mobile handling equipment and adding warehouse capacity.

Impact on Agency Operating Budgets (Facilities Notes)

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

Previous Appropriations for this Project

The Minnesota Legislature originally appropriated $3 million in bonding funds for this program in 1996. In 1998 the legislature appropriated $3 million in bonding funds and $1.5 million in general funds. In 2000 the legislature appropriated $2 million in general funds. An additional $2 million in bonding funds was appropriated in 2003. The 2003 legislature also authorized $3.5 million in bonding, specifically for Winona for freight access improvement.

The 2005 bonding bill appropriated $2 million for this program, and the 2006 bonding bill appropriated another $3 million.

Other Considerations

Neighboring states have had Port Development Assistance programs dating back to 1980 and have committed over $35 million to rehabilitating their port infrastructure projects similar to Minnesota. Their programs are on a grant basis only.

Minnesota is further from the Atlantic Ocean and the Gulf of Mexico than all of our neighboring waterway states. This puts Minnesota at a geographic disadvantage as well as costing Minnesota shippers more to get their products to international markets.

According to Minnesota law, Port Development Assistance funds cannot be added to other state sponsored port investments. Port Development funds can be used with federal and local dollars to complete projects that benefit a port. An example of this is the rehabilitation of Port Terminal Drive in Duluth. Federal and city funds were used with Port Development funds. This was an opportunity to leverage Port Development funds with federal, city and port authority funds to complete a total road project that would not have been possible without this partnership.

Project Contact Person

Dick Lambert
Director of Ports and Waterways
Office of Freight and Commercial Vehicle Operations
395 John Ireland Blvd
Mailstop 420
St. Paul, Minnesota 55155
Phone: (651) 366-3683
Email: dick.lambert@dot.state.mn.us

Governor's Recommendation

The governor does not recommend capital funds for this request.

Port Development Assistance | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	15,599	3,750	3,750	3,750	26,849
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	**15,599**	**3,750**	**3,750**	**3,750**	**26,849**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	12,479	3,000	3,000	3,000	21,479
State Funds Subtotal	12,479	3,000	3,000	3,000	21,479
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	3,120	750	750	750	5,370
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**15,599**	**3,750**	**3,750**	**3,750**	**26,849**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

Design Fees-Rochester and Maple Grove

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 9 of 9

PROJECT LOCATION: Rochester and statewide

Project At A Glance

This request is for:
- Funding for the schematic, design development and investigative portions of a new Rochester Truck Station design, including the subsequent remodeling and upgrade of the existing facility.
- Funding for design through construction documents and investigative portions of the Maple Grove Truck Station project.

Project Description

Facilities need to be routinely constructed and/or upgraded to provide support for the Minnesota Department of Transportation (Mn/DOT) mission. Planning and design for these facilities needs to be accomplished to meet Mn/DOT's six year construction schedule.

This request is to provide the funding for:

Rochester Truck Station (Schematic Design, Design Development and Investigative Services)

The project includes the schematic design, design development, and investigative portions of a facility design project for an approximate 86,000 square foot Truck Station servicing an anticipated minimum of 39 major pieces of snow plow and ancillary heavy equipment. The space will also house mechanics areas, a wash bay, welding shop and other support areas. The project also includes refurbishing, minor remodeling and mechanical upgrades to the approximate 95,000 square feet of existing space, including addressing mechanical and code compliance issues.

This facility is the central support for District 6's 1,422 miles of state and federal highways, 207 miles of interstate roadways, 857 bridges, 3,538 miles of county state aid system roadways, 12 safety rest areas and 23 truck stations located throughout the district and management of approximately 20,000 acres of land.

Maple Grove Truck Station (Complete Design and Investigative Services)

The project includes the design, through construction documents, and investigative portions of a facility design project for an approximate 85,000 square foot Truck Station with a small office, shops, mechanic's repair bays, and other vehicle storage and support areas. Cold Storage and Salt Storage facilities will be included on the site.

Mn/DOT plans to build a new Maple Grove Truck Station on a new site, removing this industrial facility from its current commercial development surroundings and allowing Mn/DOT to design a larger facility, to current building codes and environmental regulations, which is capable of supporting the expanding Maple Grove mission. This facility supports the northwest area of the Twin Cities Metro Division.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase moderately in these new buildings. One additional custodian and one additional general repair worker would be added to the Rochester staff, and one additional general repair worker would be added to the Metro Division staff for facilities maintenance.

Previous Appropriations for this Project

Rochester: None
Maple Grove: None

Other Considerations

These projects will include site investigation, sustainability compliance, and the review of possible ground source heat and/or solar panels use where practicable, as well as the possible use of wind turbine technology.

Inclusion of other State Agencies

The Rochester facilities will support not only Mn/DOT's mission, but also the missions of our partners, the State Patrol and the Drivers License Examination function within the Department of Public Safety.

Project Contact Person

Richard L. Post AIA
Facilities Program Director
395 John Ireland Boulevard
Mail Stop 715
St. Paul, Minnesota 55155
Phone: (651) 366-3573
Fax: (651) 282-9904
Email: richardl.post@dot.state.mn.us

Governor's Recommendations

The governor recommends trunk highway bonding of $2.0 million for this project.

Design Fees-Rochester and Maple Grove | ($ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	1,883	0	0	1,883
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	117	0	0	117
TOTAL	**0**	**2,000**	**0**	**0**	**2,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
Trunk Hwy Fund Bonding	0	2,000	2,000	2,000	6,000
State Funds Subtotal	0	2,000	2,000	2,000	6,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**0**	**2,000**	**2,000**	**2,000**	**6,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0%
User Financing	0	0%

STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013