

ACTION TRANSMITTAL No. 2015-40

DATE: October 13, 2015
TO: TAC Funding & Programming Committee
PREPARED BY: Joe Barbeau, Senior Planner (651-602-1705)
SUBJECT: Scott County STP Funding Change
REQUESTED ACTION: Scott County requests defederalization of its 2018 County Highway 42 / Trunk Highway 13 intersection project (#070-642-024 in 2016-2019 TIP, pending approval). Federal funds would be provided to its 2019 US Highway 169 / Trunk Highway 41 Interchange construction project (#070-596-013 in 2016-2019 TIP, pending approval). Both projects were awarded STP funding in the 2014 Regional Solicitation.
RECOMMENDED MOTION: Recommend approval of the defederalization request on the condition that the County will deliver both projects as approved in the TAB solicitation.

BACKGROUND AND PURPOSE OF ACTION: Scott County received \$5,936,000 of federal Surface Transportation Program (STP) funding in the 2014 Regional Solicitation for various upgrades to CSAH 42, including signal upgrades at the intersections of CSAH 42 and TH 13, Rutgers Ave, and Quebec Ave; median reconstruction; turn lanes at intersection of CSAH 42 and MN 13; pavement rehabilitation; access modifications; construction of trail and sidewalk; utility relocation. Scott County also received STP funding in the same solicitation for construction of an interchange on US 169 at TH 41.

Because the CSAH 42 project, after several years of development and seeking funds, was being developed as a non-federal project, Scott County prefers that the project continue on that trajectory. Moving its federal funds to the US 169 interchange project in exchange for local funds would provide financial and staff-time efficiency for the County.

As is acknowledged in the attached draft County Board resolution, the County agrees to the following:

- Both projects will be delivered in fiscal year 2018. This is necessary because the CSAH 42 project is programmed for 2018 and the funds cannot be deferred until 2019 (the original program date for the US 169 project).
- Both projects are subject to the Council's Program Year Policy.
- Both projects will be completed as proposed in the 2014 Regional Solicitation. They are both subject to the Council's Scope Change Policy.
- Should all or part of the CSAH 42 project be unable to be completed, the County will reimburse the region for the appropriate amount.

The County's request is attached along with a draft County Board resolution. The County is aware that the defederalization action cannot be completed until the resolution is official.

RELATIONSHIP TO REGIONAL POLICY: Projects that receive funding through the regional solicitation process must have significant changes (such as, but not limited to, scope changes or program year extensions) approved by TAB. This requested funding exchange does not change either project from a technical perspective, but does change which projects receive federal STP funding. Each project will continue to be monitored by MnDOT Metro District State Aid to assure that the projects are done as proposed and on time.

ROUTING

TO	ACTION REQUESTED	DATE COMPLETED
TAC Funding & Programming Committee	Review & Recommend	
Technical Advisory Committee	Review & Recommend	
Transportation Advisory Board	Review & Adopt	
Metropolitan Council Transportation Committee	Review & Recommend	
Metropolitan Council	Review & Concur	

Proposal: To place federal funds on one large Scott County project being delivered in 2019. Federal dollars from one or more of the smaller Scott County projects selected in the 2014 Solicitation would be reallocated to the TH169/TH41 Interchange project. The de-federalized project(s) would be delivered on or before the original STIP program year and as County or State Aid projects rather than federal aid projects.

In 2014 Scott County was selected for the follow federal funds in the STP and HSIP categories:

2014 Funding Applications

Application/Project	Funding Type	Amount Received	With Inflation	STIP Year
TH 169/41 Interchange	STP	\$7,000,000	\$7,560,000.00	2019
Township Turn Lanes	HSIP	\$1,485,000	\$1,603,800.00	2019
CH 42 and TH 13 Intersection	STP	\$5,600,000	\$5,936,000.00	2018
CH 27 and 68 Roundabout	HSIP	\$900,000	\$954,000.00	2018
CH 46 and 86 Roundabout	HSIP	\$810,000	\$858,600.00	2018

We also received 2017 funds for system management (CMAQ) but we assume that will be a real challenge to include in this mix because of the STIP year.

Scott County would like to **reallocate the federal funds to the TH 169/41 interchange project**. We expect that this project will be placed in the STIP in year 2019 and with inflation; the federal STP funding will be \$7,560,000. The total construction cost is estimated at \$21,020,000 (uninflated)

We would like to see if some or all of the projects above could be reallocated to the interchange project. The priority federal projects from the above list we would like to consider for this swap are:

- 1) CH 42 and TH 13, a STP funded project proposed STIP year 2018. We are started with delivering this project as a non-federal project and it would be preferred due to its complexity if we could complete it as a nonfederal project.
- 2) Township Turn Lanes, an HSIP project in proposed STIP year 2019. This is a reactive HSIP project which involves multiple intersections. Since these turn-lane projects are in multiple locations, it would simplify its delivery and your office's review if we could do as one or more county projects by the program year 2019.

Based on reallocating these funds from these two projects to the interchange the federal funds would be at about 72 percent or less of the preliminary construction estimate of the TH169/41 project.

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	September 1, 2015
Resolution No.:	2015-
Motion by Commissioner:	
Seconded by Commissioner:	

**RESOLUTION NO. 2015-xxx; STATING AN UNDERSTANDING WITH THE
TRANSPORTATION ADVISORY BOARD AND THE MINNESOTA DEPARTMENT OF
TRANSPORTATION FOR THE REALLOCATION OF FEDERAL SURFACE
TRANSPORTATION PROGRAM FUNDS ON PROJECTS IN SCOTT COUNTY AND
REQUESTING ACCEPTANCE BY THE TRANSPORTATION ADVISORY BOARD**

WHEREAS, Scott County has received federal Surface Transportation Program (STP) grants through the 2014 Transportation Advisory Board regional solicitation for two major projects in the County: 1) the Trunk Highway (TH) 169/TH 41 and County Highway (CH) 78 Interchange; and 2) the CH 42 and TH 13 Intersection Reconstruction; and

WHEREAS, the 2016-2019 Transportation Improvement Program identifies the TH 169/TH 41 and CH 78 Interchange project in program year 2019 with a total STP grant of \$7,560,000; and the CH 42 and TH 13 Intersection project in program year 2018 with a total STP grant of \$5,936,000; and

WHEREAS, all parties acknowledge that Federal funding on projects take more staffing resources and increase timelines and costs to deliver projects; and

WHEREAS, all three parties share a mutual goal of delivering federal-aid projects in a cost effective manner; and

WHEREAS, Scott County has identified an opportunity for such efficiencies and is requesting the federal funding grant in the amount of \$5,936,000 for the CH 42 and TH 13 Intersection project be reallocated to the larger TH 169/TH 41 and CH 78 Interchange project; and

WHEREAS, the TH 169/TH 41 and CH 78 Interchange project is significantly larger in scope and federal funding can be up to 80 percent of the total construction costs preliminarily estimated at \$21.02 million; and

WHEREAS, after discussion with the Transportation Advisory Board and the Minnesota Department of Transportation (MnDOT) all parties have agreed that this is an efficient and effective approach to minimizing the costs for delivering locally led federal projects; and

WHEREAS, Scott County commits to deliver the CH 42 and TH 13 Intersection project in the designated 2018 program year under the State Aid process and it will comply with permits and environmental requirements as a State Aid Project; and

WHEREAS, if a scope change from the application submitted for the CH 42 and TH 13 Intersection project is needed, all parties understand that the Transportation Advisory Board policy on Scope changes will apply; and

WHEREAS, MnDOT State Aid staff will monitor the CH 42 and TH 13 Intersection project to ensure consistency with the project's application, project schedule to meet program year requirements and field monitor final construction for consistency with the plans; and

WHEREAS, Scott County understands that failure to deliver the CH 42 and TH 13 intersection project with the application scope or the program year could result in the need to repay a portion or all of the federal money back to the region for distribution to other regional projects; and

WHEREAS, Scott County understands that TH 169/TH 41 and CH 78 Interchange project will need to be advanced to program year 2018 to facilitate this reallocation of the CH 42 and TH 13 Intersection project grant funds to this Interchange project; and

WHEREAS, Scott County understands that the grant funds for the TH 169/TH 41 and CH 78 Interchange project will remain in program year 2019 and will need to be advanced by Scott County; and

WHEREAS, Scott County has provided project schedules that demonstrate its ability to deliver both projects by the timelines that Metro State Aid requires for federal-aid projects; and

WHEREAS, the TH 169/TH 41 and CH 78 Interchange project will be delivered by Scott County using the local Federal Aid Delegated Contract Process; and

WHEREAS, all parties commit to assisting Scott County with this advanced delivery schedule on the TH 169/TH 41 and CH 78 Interchange project and will ensure that this arrangement for funding reallocation is incorporated in the 2017-2020 Metropolitan Transportation Improvement Program and MnDOT Statewide Transportation Improvement Program.

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners in and for the County of Scott Minnesota hereby commits to this understanding with the Transportation Advisory Board and the Minnesota Department of Transportation regarding the reallocation of CH 42 and TH 13 Intersection project grant funds to the TH 169/TH 41 and CH 78 Interchange project; and

AND BE IT FURTHER RESOLVED, that the Board of Commissioners request that the Transportation Advisory Board approves this request by formal action at its September 16, 2015 meeting.

COMMISSIONERS	VOTE			
Wagner	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Wolf	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beard	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Marschall	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Ulrich	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

**State of Minnesota)
County of Scott)**

I, Gary L. Shelton, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 1st day of September, 2015 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 1st day of September, 2015.

County Administrator

Administrator's Designee