

**ACTION TRANSMITTAL No. 2016-36**

**DATE:** June 10, 2016

**TO:** TAC Funding and Programming Committee

**PREPARED BY:** Amy Vennewitz, Deputy Director, Finance and Planning (651 602-1508)  
Elaine Koutsoukos, TAB Coordinator (651-602-1717)  
Steve Peterson, Planning Analyst (651-602-1819)  
Joe Barbeau, Senior Planner (651-602-1705)

**SUBJECT:** Fiscal Year 2017 Federal Funds Reallocation

**REQUESTED ACTION:** Recommend a list of projects to allocate \$17.5 million of 2017 funds

**RECOMMENDED MOTION:** That TAC Funding & Programming Committee recommend to TAC a list of projects to allocate \$17.5 million of 2017 funds

**BACKGROUND AND PURPOSE OF ACTION:** A combination of factors including: 1) the recent passage of the FAST Act with its increased funding levels, 2) project withdrawals, 3) projects closing out under-budget, and 4) increased federal funds for Minnesota due to national redistributions, have had a significant positive impact on the amount of federal funding available to the region. For 2017, 2018, and 2019 program years, there is a total of \$32,745,183 available for reallocation that is distributed by year as follows:

**Federal Funds Available for 2017, 2018, and 2019**

Year	Amounts
2017	\$17,498,822
2018	\$8,375,328
2019	\$6,871,033
<b>Total</b>	<b>\$32,745,183</b>

Staff indicated to TAB at its April 20, 2016, meeting that they would bring back options for reallocating these funds consistent with the TAB's Federal Funds Management Process (attached). TAB also requested that staff consider the modal split of these extra funds. In the calculation shown below, staff assigned funding from withdrawn projects, or reductions in federal awards due to scope changes, to the original project mode (i.e., funding from a withdrawn roadway project would be assigned to the roadway mode). New FAST Act funds were assigned to a mode based on the mid-point of TAB's approved modal targets (i.e., 58% for roadways, 27% for transit and TDM, and 15% for bicycle/pedestrian). Combining these two approaches together yields the following modal split targets:

**Modal Targets for 2017, 2018, and 2019**

Mode	Amounts	% of Total
Roadways	\$22,027,133	67%
Transit and TDM	\$7,048,344	22%
Bicycle and Pedestrian	\$3,669,705	11%
<b>Total</b>	<b>\$32,745,183</b>	<b>100%</b>

Given the project funding options available, exactly hitting these targets in 2017 may not be possible. Following selection of funding options for 2017, staff will bring forward options for 2018 and 2019 that are consistent with these overall modal targets. The 2018 and 2019 funds will be allocated as part of the 2016 Regional Solicitation. It is anticipated that TAB will select these projects in January 2017.

**STAFF ANALYSIS:** Staff has compiled the 2017 funding options described below based on the priorities in TAB’s Federal Funds Management Process. In addition, staff worked with MnDOT State-Aid and contacted both funded and unfunded projects from the last Regional Solicitation in order to ascertain whether projects would be able to move forward in 2017. The Federal Funds Management Process states that the first priority for use of future-year funds will be inclusion in a future TAB solicitation process if at all possible. This is not possible for 2017 funds, given that project selection will not be until January, 2017.

As shown below, fully funding the Minneapolis Bicycle Coalition project (submitted in the 2015 Travel Demand Management solicitation), which only received \$105,000 of its \$239,000 request due to a lack of total funds and its position as the lowest-ranked funded project in the 2015 TDM Solicitation, is a potential first step. One project previously selected for 2018 can be advanced to 2017. This would allocate \$4,506,620.

**Project Advancement (This step is considered a “given” under the Federal Funds Management Process.)**

Project	Category	Type	Fed Request	2017 \$ Remaining	Notes
Initial Funds Available in 2017				\$17,498,822	
Minneapolis Bicycle Coalition	TDM	Bringing Project to Full Funding	\$134,000	\$17,364,822	Received partial funding as last project selected in 2015 TDM Solicitation.
Metro Transit Penn Ave Bus Purchase	Transit Expansion	Project Advance	\$4,368,620	\$12,996,202	Want to advance 2018 project to 2017

Based on the proposed recommendation above, there is \$12,996,202 yet to be allocated for 2017. In addition to this step, the following options or combination thereof could be recommended for allocation of the remaining funds:

**Option 1: Fund Unselected Projects from a Past Solicitation**

Sponsors of the projects listed below have indicated that they can meet all TAB and federal requirements for delivery in the 2017 program year.

**Option 1: Fund Unselected Projects from a Past Solicitation**

Project	Category	Type	Fed Request	2017 \$ Remaining	Notes
Initial Funds Available in 2017				\$12,996,202	
Dakota County CSAH 28 Connector	Roadway Expansion	2014 Solicitation	\$5,611,760	\$7,384,442	Top-ranked unfunded 2014 RE project
TLC Transportation Leadership for Cities	TDM	2015 TDM Solicitation	\$66,696	\$7,317,746	Non-capital project; low program year risk
Metro Transit Mobility Ecosystem	TDM	2015 TDM Solicitation	\$300,000	\$7,017,746	Non-capital project; low program year risk
SouthWest Transit Electric Buses	Transit Expansion	2014 Solicitation	\$1,600,000	\$5,417,746	

Staff also recommends that should any unselected projects from a past solicitation be selected for 2017 funding, no program year extensions be allowed.

**Option 2: Fund Unique Projects**

Four requests were made for 2017 funds based on the multiple notifications sent to potential project sponsors of this opportunity. The TAC F&P Chair and MnDOT State-Aid staff reviewed unique project request to determine whether they met the qualifying requirements:

1. Provide a description of the regional benefits of the project
2. Substantiate that the project is federally eligible
3. Describe why the project does not fit into one of the existing 10 application categories
4. Provide a preferred year of funding
5. Supply a federal funding request amount and budget

The request letter for each unique project is attached. The projects are shown in the order in which the project applications were submitted.

**Option 2: Fund Unique Projects**

Project	Applicant	Federal Request	Notes
Initial Funds Available in 2017: \$12,996,202			
Technician Training	MPCA	\$40,000	Request was lower than the minimum federal award threshold for any of the 10 applications types
Travel Behavior Inventory	Metropolitan Council	\$1,000,000	Meets qualifying requirements
Diesel Retrofit	MPCA	\$1,166,633	In the past, TAB has not funded privately-owned vehicles; federal eligibility uncertain
Bike Corridor Slope Restoration	Hennepin County	\$1,420,800	Not eligible since the project can apply as part of the Multiuse Trails and Bicycle Facilities application category as a gap in the trail system

**Option 3: Pro-rate Remaining Federal Funds Up to the Federally Allowed Maximum**

The following 2017 projects could absorb more federal funds and remain at or above the 20% local match minimum.

**Option 3: Prorating Funds to Over-Matched 2017 Projects**

<b>Project</b>	<b>Mode</b>
Bloomington CSAH 28 Interchange	Roadway
Dakota Co CSAH 42 Reconstruct	Roadway
Hennepin Co CSAH 81	Roadway
Dakota Co Trail (TH 110)	Multiuse Trails
Dakota Co Big Rivers Trail	Multiuse Trails
Scott Co West Trail	Multiuse Trails
Three Rivers Nine-Mile Creek Trail	Multiuse Trails
Metro Transit MOA Station	Transit
Metro Transit Lake St Station	Transit
Hopkins Park & Ride	Transit
Nice Ride Densification and Infill Initiative	TDM
St. Paul Smart Trips Trip Planning	TDM

**RELATIONSHIP TO REGIONAL POLICY:** The options provided are consistent with the TAB’s adopted Federal Funds Management Process. The use of regional funds for a unique project is consistent with the process adopted by TAB for projects that fall outside of the Regional Solicitation application categories.

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**ROUTING**

<b>TO</b>	<b>ACTION REQUESTED</b>	<b>DATE COMPLETED</b>
TAC Funding & Programming Committee	Review & Recommend	
Technical Advisory Committee	Review & Recommend	
Transportation Advisory Board	Review & Adopt	

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## TAB Federal Funds Management Process

Regionally selected projects (i.e. those projects selected by TAB through the regional solicitation process) in the Twin Cities TIP can be advanced or deferred based on TAB policy, project deliverability and funding availability, provided fiscal balance is maintained. The process assumes some projects will be deferred, withdrawn, or advanced. This process establishes policy and priority in assigning alternative uses for federal transportation funds when TAB-selected projects in the TIP are deferred, withdrawn, or advanced. This process also addresses the distribution of the limited amount of federal funds available to the region at the end of the fiscal year, known as “August Redistribution.” This process does **not** address how to distribute new federal dollars available through larger, specific programs (i.e., ARRA). TAB will make separate decisions specific to those kinds of programs and timing.

### Current Program Year Funds

For funding that is available due to project deferrals or withdrawals, the funds shall be reallocated as shown in the below priority order. When there is insufficient time to go through the TAB committee process, TAB authorizes staff (Minnesota Department of Transportation (MnDOT) Metro District State Aid or Metropolitan Council Grants Department, as appropriate), working with the TAB Coordinator, to reallocate funds to projects that have been selected through the regional solicitation per the below priorities on TAB’s behalf.

Reallocation priorities for available funding programmed for the current fiscal year:

1. Regionally selected projects in the same mode slated for advanced construction/advanced construction authority (AC/ACA)<sup>1</sup> payback that have already advanced because sponsors were able to complete them sooner. If more than one project is slated for AC/ACA payback, the projects using the smallest amount of federal funding will be funded first. Partial AC/ACA payback can be paid on a project up to available levels of funds.
2. Projects in the same mode slated for AC/ACA payback that have been moved due to previous deferrals. If more than one project is slated for AC/ACA payback, the projects using the smallest amount of federal funding will be funded first. Partial AC/ACA payback can be paid on a project up to available levels of funds.
3. Regionally selected projects in the same mode that are able to be advanced.
4. Pro-rate remaining federal funds to regional solicitation current program year projects in the same mode in the original program year up to the federally allowed maximum.
5. Select a regionally-selected project(s) from another mode to pay back or advance using steps 1-4 above. Should this action be used, TAB shall consider the amount when addressing modal distribution in programming the next regional solicitation.

### Future Program Year Funds

While history shows that most deferrals and withdrawals will be in the current program year, even current year withdrawals can affect future year funding by advancing a project from a future year into the current year. For future-year funds, the TAB Coordinator will work with MnDOT Metro State Aid and/or Metro Transit Grants staff, Metropolitan Council staff and

<sup>1</sup> Note: Advanced construction (AC) is used for Federal Highway Administration-funded projects. Federal Transit Administration-funded projects use advanced construction authority (ACA).

project sponsors to provide a set of options to be considered by the TAC Funding & Programming Committee, TAC, and TAB.

The first priority for use of future-year funds will be to include the funds in a future TAB solicitation process if at all possible. When not possible, TAB should first consider items 1-3 and 5 from the above list. It can also consider other options such as selecting an unfunded project from the most recent regional solicitation<sup>2</sup> that could be delivered within the required timeframe. Other options could include setting up a special solicitation, depending on the amount of funds and time available, or other measures as TAB deems appropriate to address unique opportunities. TAB will consider the established “Guiding Principles” in making its decisions.

<sup>2</sup> Note that projects must be selected prior to December 1 of the program year.

Sponsoring Agency: Minnesota Pollution Control Agency

Contact: Rocky Sisk  
State Program Admin Coordinator  
651.757.2173  
[rocky.sisk@state.mn.us](mailto:rocky.sisk@state.mn.us)

**Problem:**

The Minnesota Pollution Control Agency (MPCA) regularly receives complaints or whistleblower calls describing illegal vehicle modifications occurring in MN resulting in high to severe emissions, sometimes visible as dense plumes of black smoke. It is estimated that each long haul diesel truck with emission control modification can produce up to 300 times the amount of oxides of nitrogen (NO<sub>x</sub>) as a non-modified, properly maintained new truck. With gasoline vehicles, approximately 10% of the vehicles on the road produce nearly 50% of the vehicle emissions. Most major U.S. cities have vehicle emissions testing programs to help locate those vehicles that produce large amounts of emissions. Other communities empower a large number of repair facilities to inspect vehicles to locate the ones with missing, improperly maintained, or bypassed emissions control devices. Minnesota currently has no way to identify, locate, track or suggest repairs to these high emitting vehicles.

**Project Summary:**

The MPCA will create an educational video and training outreach package to prevent and discourage vehicle emission modifications that defeat vital emission controls in cars and trucks. The goal is to teach automotive and heavy duty diesel technicians (and future technicians) about the air quality and health impacts, as well as the federal laws and financial repercussions, associated with illegal vehicle modifications.

**Background:**

As a small pilot project, MPCA staff worked with metro area technical colleges to recognize opportunities to help minimize the incidence of illegal modifications on the vehicles that operate in and on the roads of Minnesota. The MPCA, with guidance from the mobile sources technical representatives of the Environmental Protection Agency (EPA) created a comprehensive slide presentation to help educate students as to a variety of repercussions resulting from altering, bypassing or removing a motor vehicles emissions control devices.

After giving this presentation to students and faculty at a technical college and discussing the potential benefits of working with the automotive technician training industry, we realized there is a large need for more comprehensive, professionally developed training information. This information will assist instructors and fleet managers on the merits and ethics of properly working on a vehicle's emissions control components, reducing the incidence of tampering, and eliminating the unnecessary vehicle emissions associated with illegally altering the pollution control components of a motor vehicle, both light duty and heavy duty.

**Project:**

Hire a multi-media communication company to:

- Hold 2-3 focus groups for
  - automotive technical college students and instructors
  - vehicle repair shop owners and employees
- Create vehicle emissions prevention – training video based on existing MPCA PowerPoint and information learned from the focus groups.
- Make 3,000 copies of the video on a CD or memory stick
- Distribute educational material and training CD's to mailing list of repair shops.
- Distribute educational material and training CD's, as well as pre and post video questionnaire, to area technical colleges
- Develop an additional (unduplicated) mailing list of repair shops and distribute the remainder of videos and training material

Working with college car and truck repair instructors, we will create a training package to help educate technical students throughout Minnesota on environmental, health, economic, legal and social aspects of repairing pollution control components associated with on-road transportation vehicles. We would hire a consultant to develop the curriculum, information, audio and video messaging, and any associated outreach congruent to this initiative. Then we would work with the technical colleges and repair shops in MN to distribute this information comprehensively to insure maximum coverage with minimal disruption to established curriculum and procedures. Other information sharing avenues will be pursued such as YouTube videos with links to a new MPCA web page, narrated slide presentations for statewide distribution, as well as information sharing with vehicle repair associations.

We anticipate the overall cost of this initiative will be \$50,000. That money will be used to hire a professional media production agency to develop and distribute the outreach package throughout MN. After the information is distributed, the MPCA will work with technical schools to evaluate student acceptance of the message, and measure student behavior modifications resulting from the education materials. We will continue to promote this initiative and share this information well into the future, so this project will have long lasting positive impacts throughout the region.

**Goals:**

Reach all new automotive technical students throughout Minnesota and teach them the social, economic and environmental benefits of proper vehicle maintenance along with the consequences and legal repercussions of tampering. It is our belief that minimizing illegal modifications on vehicles repaired in MN, as well as proper repairs to vehicles that have been serviced elsewhere, will result in improved air quality as well as enhance the economic vitality of the automotive repair industry in MN. We need these students to understand that they represent the professional character of the automotive repair industry, (both light duty and heavy duty vehicles) and, as such, have a responsibility to abide by the law. Students will also learn that they need to educate their customers on the benefits of proper maintenance, and the many ramifications of illegal modification to a vehicle's emissions control components.

**Regional Benefits:**

The successful application of the materials created for this project will result in a variety of regional benefits. First and foremost would be the reduction in vehicle emissions resulting from properly maintained vehicles operating within the state of MN, including the Twin Cities metropolitan area. Additionally, there would be economic, health and social benefits from this project, since educated technicians working at repair shops would be following the laws and making appropriate repairs. Customers would be ultimately educated as to why illegal modifications are not permitted, and health issues such as asthma attacks and upper respiratory problems could be reduced due to the reduction of harmful pollutants. We know that if you bypass or remove certain emissions control components from heavy duty diesel vehicles such as over the road trucks, those vehicles can produce up to 300 times more Oxides of Nitrogen (NOx), and up to 60 times the amount of Particulate Matter (PM) than they were designed to produce. If we can prevent one incident of tampering through this project, it can be equivalent to removing up to 300 new trucks from the roads of MN if you look at NOx.

**Unique Project:**

This project does not fall under any of the listed application categories on the Metropolitan Council 2016 Regional Solicitation guidance documents. It is our understanding that this project would best be categorized as a "Unique Project" for evaluation purposes for the 2017 FY federal fund distribution cycle.

**Federal Funding Eligibility:**

This project would be federally eligible to receive CMAQ federal funds under 23 US Code SS149- Congestion Mitigation and Air Quality Improvement Program, which states that the "project is likely to contribute to a high level of effectiveness in reducing air pollution." This program has the ability to dramatically reduce vehicle emissions from on road vehicles, including over the road (OTR), long haul trucks.

**Budget:**

\$40,000 CMAQ federal funds + \$10,000 MPCA funds = \$50,000 total cost

Approximate Budget Breakdown-

- Contractor to conduct series of focus group meetings \$20,000
- Contractor work with MPCA to create and edit 30- minute training videos \$24,000
- Contractor to make 3,000 CD copies of training video \$3,000
- Contractor to distribute 2,500 CD copies to MN training and repair facilities \$3,000

The MPCA would hire a consultant to develop the curriculum, information, audio and video messaging. Once the information has been created, we will work with the contractor to distribute the information throughout the MN technician training industry, both public and private institutions and to repair shops via MPCA's small business unit. Additionally, the MPCA will work with these instructors to insure the information is properly disseminated to students, and make sure there are appropriate resources to answer questions created by the training program.

**Funding Year:**

We would prefer the 2017 funding cycle, but we are willing to work with future funding cycles if 2017 is not available.



June 6, 2016

Elaine Koutsoukos  
Transportation Advisory Board Coordinator  
390 North Robert Street  
Saint Paul, MN 55101

Dear Ms. Koutsoukos,

The Metropolitan Council requests TAB's support of the Travel Behavior Inventory (TBI) with 2017 funding through the Unique Projects category of the 2016 Regional Solicitation.

The Council has conducted a Travel Behavior Inventory (TBI) every ten years since the 1940s. This data both informs transportation planning directly and is required for our regional travel demand model which forecasts the impacts of highway and transit projects. For example, the model is used extensively in New Starts forecasting and in environmental analysis for roads and transit projects across the region. The model is reviewed by USDOT and EPA, and without an adequate regional model the region would be unable to obtain federal transportation funding for major projects.

In 2015, the Council performed an evaluation of all aspects of the TBI. The evaluation was conducted by a national expert, and done in cooperation with regional partners, including MnDOT, the University of Minnesota, and local governments. The recommendations of the evaluation, presented to TAB in early 2016, are to transition the TBI from a decennial event to a 10-year program, with more frequent and regular surveys and model updates. This will provide more up-to-date data for policymakers and recognize and assimilate rapid changes in travel and transportation needs. It will give the region better and more current data, resulting in projects whose impacts we can better and more meaningfully forecast. The data collection program and regional model are critical tools in making sound and defensible transportation decisions.

The 2017 request is to fund the first two years of the new TBI Program. This will consist of:

1. A 2017/2018 "kick-start" household interview survey. This survey will be larger than the biennial surveys envisioned in the program recommendation in future years in order to provide more immediate data at the start of the program. The survey will be administered to approximately 0.5% of households in the region. Similar to the survey in previous TBIs, it will collect information on all of the travel components: time, mode, purpose, location, of each individual in a household. New to this survey, we will be using current state-of-practice methods of surveys over multiple days collected through smartphones. Each person in a household will be tracked by their smartphone, which will detect when

they traveled and ask them questions about their travel either at the end of each day or immediately after a trip. This survey continues to be the central activity of the TBI.

2. A data purchase from a third-party vendor to provide information on travel patterns of people traveling into the region from outside, both visitors and regular commuters.
3. A model update to incorporate information from the household survey and the 2016 Transit On-Board survey (underway)

The TBI project is eligible for Surface Transportation Block Grant Program (STBGP) federal funds under 23 USC §133(b)(8): Highway and Transit Research and Development and under 23 USC §133(b)(10): Surface Transportation Planning Programs.

This TBI project is being submitted as a Unique Project given it is not the implementation of a highway, transit, bicycle, pedestrian or TDM project; as such, it does not fit in any of the ten Regional Solicitation application categories and most of the measures would not apply to a data collection and model development project.

Funding is preferred in year 2017 to provide for consultant procurement and pre-survey testing in 2017 followed by the survey work in 2018.

The total project budget for this phase is \$2.5 million. This budget includes:

- \$2.1 million for the 2018 household survey
- \$200,000 for the external data purchase
- \$200,000 for the model update

The Council is requesting \$1.0 million in 2017 STBGP funds. This will be accompanied by \$1.0 million in Council federal planning funds and \$500,000 (the 20% local match) from internal Council sources to fully fund the \$2.5 million 2017/2018 project.

Future requests for unique project funding will be made for elements of the TBI Program in 2019 and beyond.

Council staff are available to make a presentation to TAB on this request or to respond to any questions.

Sincerely,



Arlene McCarthy  
Director, Metropolitan Transportation Services

Cc: Amy Vennewitz, Mark Filipi, Jonathan Ehrlich

## A Clean Diesel Collaboration

### Letter of Interest - Unique Projects

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**Sponsoring Agency:** Minnesota Pollution Control Agency (MPCA)

**Contact:** Mark Sulzbach; 651-757-2770; mark.sulzbach@state.mn.us

**Partner Organization:** Environmental Initiative

**Contact:** Bill Droessler; 651-253-3908; bdroessler@environmental-initiative.org

**1. Project Description and Regional Benefits** - The MPCA will co-manage an innovative clean diesel project with the nonprofit, Environmental Initiative. We are requesting \$1,166,622.50 in federal funds, which will be matched with \$883,422.50, for a total project cost of \$2,050,045. The MPCA and Environmental Initiative will partner with Upper River Services (URS), a nonprofit full-service river operator and Eureka Recycling, a nonprofit waste and recycling hauler. Funds will be used to repower older, unregulated heavy-duty diesel engines to new emission standards and replace older diesel vehicles with new vehicles at higher emission tier levels. All proposed activities and technologies are U.S. EPA certified. Equipment to be repowered or upgraded includes one triple-engine towboat, two dock cranes, and two skid loaders owned by URS; all of which operate between the firm's two shipyards located in Ramsey County. The project also allows Eureka to replace five recycling trucks operating in Ramsey County – that would reduce direct exposure of emissions in St. Paul neighborhoods. Because of the new trucks' efficiencies, Eureka will reduce the size of their fleet - also reducing idling time, fuel usage, all of which further reduce citizen exposure to emissions.

Fleet partners were selected given their location within or near to an air toxics assessment area. This region of Minnesota is one of the areas closest to violating federal air quality standards. These fleets also operate near some of Minnesota's most vulnerable populations. The Metropolitan Council, the region's planning organization, identified regionally concentrated areas of poverty in a June 2015 study.<sup>1</sup> These areas include at least 40% of residents living in poverty and at least 50% of residents are people of color (ACP50). Upper River Services operates in the heart of an ACP50 area, which includes a Latino community on the West Side of Saint Paul, the second largest Hmong population in the United States on the East Side of Saint Paul, and vibrant African American communities. Over 60% of residents live in poverty in neighborhoods closest to the project area. These repowers and replacements will directly benefit communities most vulnerable to the adverse impacts of air pollution.

In addition, downtown Saint Paul is home to 74,000 workers and 8,100 residents<sup>2</sup> who are exposed to diesel emissions from waterfront operations, not to mention other users of downtown Saint Paul amenities, including the State Capitol complex, Science Museum, Children's Museum, Xcel Center, Union Depot, CHS Field, and a large number of regional parks. Because of the area's dense population and diverse mix of users and industries, emission reduction projects centered around downtown Saint Paul disproportionately reduce exposure to harmful diesel emissions for a broad variety of communities across the economic spectrum.

This project provides significant, cost effective regional air quality, health, and economic benefits. There is no more effective Congestion Mitigation and Air Quality Improvement (CMAQ) strategy for air quality benefits than diesel emission reduction activities. According to Federal Highway Administration analysis of CMAQ projects, diesel emission reduction work was the most cost-effective strategy at reducing both ozone precursors and fine particulate matter.<sup>3</sup> According to the EPA, each federal dollar invested in clean diesel projects has leveraged as much as \$3 from other government agencies, private organizations, industry, and nonprofit organizations, generating between \$5 and \$21 in public health benefits. Every dollar invested in diesel reductions yields an estimated \$13 in health and economic benefits. Both the MPCA and the Environmental Initiative have more than a decade of experience and a proven track-record of working in partnership to voluntarily reduce diesel emissions.<sup>4</sup>

In terms of quantifying the emission benefits, this project's 25-tons in fine particulate matter (PM<sub>2.5</sub>) emission reductions, would be the equivalent to removing 22,800 average cars from operation.

<sup>1</sup> [metro council.org/METC/files/59/59e72e05-559f-4541-9162-7b7bf27fdebf.pdf](http://metro council.org/METC/files/59/59e72e05-559f-4541-9162-7b7bf27fdebf.pdf)

<sup>2</sup> <https://www.stpaul.gov/DocumentCenter/View/71868.pdf>

<sup>3</sup> [https://www.fhwa.dot.gov/environment/air\\_quality/cmaq/research/safetea-lu\\_phase\\_1/safetealu1808.pdf](https://www.fhwa.dot.gov/environment/air_quality/cmaq/research/safetea-lu_phase_1/safetealu1808.pdf)

<sup>4</sup> <http://www.environmental-initiative.org/our-work/clean-air/project-green-fleet>  
<https://www.pca.state.mn.us/air/cleaning-diesel-engines-minnesota>

**2. Federal Eligibility** - This project is federally eligible to receive Surface Transportation Block Grant Program or Congestion Mitigation Air Quality federal funds. A similar clean diesel project was funded through this process in 2008 (MPCA/MnDOT Agreement No. 92963), which successfully retrofitted 425 heavy duty city, county and state trucks in the Twin Cities metro area with emission reduction equipment. Clean diesel projects are also supported with these federal funds in other states in U.S. EPA Region 5. EPA Region 5 lauded a similar marine engine repower as “a perfect example of the type of CMAQ public/private partnerships that are allowed and encouraged by both the EPA and Federal Highway Administration and which have been successfully undertaken in several parts of the country.” The current federal transportation funding bill requires that 25% of CMAQ funds be used for fine particle (PM2.5) emission reduction projects if the area is designated as nonattainment for PM2.5. The Twin Cities region is now in attainment, but is very close to violating the PM2.5 and ozone standards, which are likely to be tightened in coming years.

**3. Project’s Unique Element** - Per the category definitions, this project’s clean diesel activities do not fit into any of the other 10 existing application categories. These clean diesel activities cannot be evaluated against the scoring protocol for any of the application categories, other than air quality.

**4. Preferred Year of Funding** - We prefer funding in FY2017. But if not funded in this selection process, we would like to remain eligible for funding in later years.

**5. Budget and Federal Funding Requested** - All of the federal funding requested in this proposal will go toward direct project implementation costs, either for the new equipment or the purchase and installation of the repowered engines. Fleet partner URS is providing a 30% match and Eureka is providing a 50% match, both of which are a higher than required funding match rate. Each partner understands is committed to the listed matching amounts.

The project activities as delineated in the chart below, can be separated. The Transportation Advisory Board could decide to fund all or only select segments or vehicles/equipment included in this clean diesel project.

<b>Activities</b>	<b>Outputs</b>	<b>Outcomes - Lifetime emission reductions</b>	<b>Partner Match</b>	<b>Federal Request</b>	<b>Total</b>
Repower one towboat	Three 475hp unregulated marine engines repowered to Tier-III standard	<i>NO<sub>x</sub>: 518.682 tons PM<sub>2.5</sub>: 22.752 tons HC: 8.556 tons CO: 166.824 tons</i>	\$150,900 (30% match)	\$352,100	\$503,000
Repower two heavy-duty cranes	Two 230hp heavy-duty engines repowered to Tier-IV standard	<i>NO<sub>x</sub>: 15.616 tons PM<sub>2.5</sub>: .974 tons HC: .552 tons CO: 2.24 tons</i>	\$36,000 (30% match)	\$84,000	\$120,000
Replace two skid steer loaders	Two skid steer loaders replaced with Tier-IV standard	<i>NO<sub>x</sub>: 3.748 tons PM<sub>2.5</sub>: .864 tons HC: .851 tons CO: 4.933 tons</i>	\$25,500 (30% match)	\$59,500	\$85,000
Replace 5 recycling trucks	5 2003 model trucks replaced with 2017 model	<i>NO<sub>x</sub>: 13.978 tons PM<sub>2.5</sub> 0.564 tons HC: 0.562 tons CO: 2.781 tons</i>	\$671,022.50 (50% match)	\$671,022.50	\$1,342,045
<b>Total</b>	<b>12 vehicles/engines Replaced/Re-powered</b>	<b>Total Lifetime Emissions Reductions</b> <i>NO<sub>x</sub>: 552.024 PM<sub>2.5</sub>: 25.154 HC: 10.521 CO: 176.778</i>	<b>\$883,422.50</b>	<b>\$1,166,622.50</b>	<b>\$2,050,045</b>



June 6, 2016

Ms. Elaine Koutsoukos  
Metropolitan Council  
390 Robert Street North  
St. Paul, MN 55101

**Re: Letter of Interest for Metropolitan Council Regional Solicitation – Unique Projects (2017 Funding):  
Hopkins to Chaska LRT Corridor Slope Restoration**

Dear Ms. Koutsoukos:

The Hennepin County Regional Railroad Authority (HCRRA) submits this letter of interest to the Metropolitan Council for the 2017 Funding Opportunities: Unique Projects category under the Regional Solicitation. The Slope Restoration project is to restore 150 linear feet of an embankment 80' high within the City of Chanhassen. Total anticipated construction cost is \$1,776,000. HCRRA is requesting a federal transportation grant of \$1,420,800, or 80 percent of the total cost of construction. The local project match will come from HCRRA, and may include other partners such as Carver County, Three Rivers Park District and the City of Chanhassen.

The proposed project qualifies as a Unique Project.

- There is a critical timing need for this project to be completed in 2017, which precludes submission of the project as part of the regular 2016 Federal Solicitation for projects to be completed in 2020 and 2021.
- The proposed project is in response to a federally-recognized disaster (Presidential Disaster 4182) that occurred in 2014. Most federal solicitation project proposals are part of a long-range capital improvement plan from the submitting agency and can be deferred if funding is not available. The proposed project is in direct response to a critical need created by a disaster. It has been delayed by inaction on the part of the Federal Emergency Management Agency (FEMA).
- The slope failure has severed the primary artery for non-motorized travel from the southwest sector of the region to the urban core. The Minnesota River Bluffs LRT Regional Trail utilizes the Hopkins-Chaska LRT Corridor and serves over 250,000 visits each year. The only possible detour adds another six miles to trip length, and requires use of bicycle and pedestrian travel on very narrow shoulders along a major county road.
- This is not a regular non-motorized modal project. It does not build new miles of trails, new bridges, or tunnels. It is simply needed to make a highly used arterial route functional again after a natural disaster.

The slope failure is in a ravine area where the trail used the rail corridor as a land bridge. Reconstruction of the slope is the lowest cost solution. To date, HCRRA has spent over \$320,000 in engineering and

plan design, and \$210,000 on an emergency repair to the culvert at the base of the slope that was compromised as a result of the slope failure.

Beyond being unique, hopefully this is a once in a lifetime project. FEMA has deferred and denied this project for too long, and HCRRA is now seeking alternative federal funding to resolve this issue in a timely fashion.

Thank you for your consideration.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Kevin Dockry', with a long, sweeping flourish extending to the right.

Kevin Dockry  
Director, Hennepin County Community Works