



# Corridors of Commerce: History, Issues, and a Proposal for Changes

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# History of Corridors of Commerce Legislation

# Legislative History

- 2013 – Program created and \$300 M in bonds provided to fund projects.
- 2014 - \$6.5 M in funds provided for Greater Mn projects only, as part of a legislative agreement (Priority was to projects ready for future COC funding).
- 2015 - \$25 M in funds provided, with 50% for Greater Mn projects and 50% for Metro area projects (Priority was to get projects ready for future COC funding).

# Legislative History

- During calendar years 2015 & 2016, the Minnesota Legislature requested Office of Legislative Auditor to conduct a review of MnDOT's Highway Project Selection processes.
- The audit finds that MnDOT has, “selected projects for Corridors of Commerce in an inconsistent and subjective manner.”
- The audit recommends, “MnDOT should modify its Corridors of Commerce project selection process to create greater objectivity and transparency.”

# Legislative History

- 2017 - Legislature provides \$300 M in bonds for COC and then sets up so \$25 M in trunk highway cash is added to COC annually.
- 2017 - Legislature also includes a series of significant changes to the COC statues that are in direct response to the Legislative Auditor's report.
  - Required MnDOT to score and rank all submitted projects using all the eight evaluation criteria in the law and only those eight criteria.
  - Specifically prohibited MnDOT from considering project deliverability as a criteria.
  - Clarified that MnDOT "Must" accept project recommendations from area transportation partnerships and other interested stakeholders.

# Legislative History

- 2018 – MnDOT announces the projects selected for funding with the 2017 funding.
- 2018 – Legislature passes another \$400 M in bonds, following significant pushback on the projects selected for the 2017 funding.
- 2021 – Legislature passes another \$200 M in bonds, along with adding an additional scoring criteria of “Project Deliverability” (However, the criteria must be of equal weight with the other scoring criteria).



# Issues with the 2018 Project Scoring & Selection Process

# Two Fundamental Issues

- Number of Projects Needing Evaluation
- Interpretation of Regional Balance



# Number of Projects Needing Evaluation

- MnDOT received 173 individually unique projects from its on-line project recommendation process in 2018.
- Although this was within one project of the number of projects submitted in the 2013 solicitation, in 2013 MnDOT screened the number down to a very manageable number of 34 to select from because it utilized a “deliverability” screening criteria.
- The law now requires MnDOT to score all the submitted projects using all of the scoring criteria and prohibits applying any additional criteria or screening processes.

# Number of Projects to Evaluate

- Expectations for selecting, awarding, and starting the projects resulted in all 173 projects having to be scoped in six weeks.
- Because of the need to score all submitted projects, the same amount of effort was needed for all 173 projects.
- The large number of projects to evaluate resulted in a drain on MnDOT staff time and local agency staff time.
- In the end, only four of 173 submitted projects were funded.

# Number of Projects to Evaluate

- Several of the selected projects have experienced rising costs, delays, and other issues that can be traced to the hurried scoping, benefits, and cost estimating processes of the COC program.
- It is clear that some type of project recommendation screening process is needed to make the COC program more efficient.

# Interpretation of Regional Balance Issue



# Interpretation of Regional Balance

- MN 161.088 Subd. 5 [C] (8), states the following:

“regional balance throughout the state”

- This is one of the eight scoring criteria in the COC law.

# Interpretation of Regional Balance

- In selecting projects for the 2017 funding, MnDOT interpreted the 50-50 split to mean the following;

“Approximately 50% of the funding would go to projects within its Metro District boundary (Twin Cities area) and approximately 50% would go to districts outside of the Metro District boundary (Greater MN).“

# Interpretation of Regional Balance

- When the 2017 funding projects were announced, they were at the following locations;
  - I-494 – France Avenue to TH 77 in Metro District
  - I-494/I-35 W Intersection in Metro District
  - TH 169 Elk River in District 3
  - I-94 – St. Michael to Albertville in District 3

# Interpretation of Regional Balance

- When the projects were announced, there was a chorus of complaints that all the projects were within 50 linear miles of downtown Minneapolis.
- District 3 is in Greater Minnesota, so the two projects selected from there met the soft 50-50 interpretation that MnDOT stated publicly it would follow.
- It was clear, however, from the complaints that others had interpreted “regional balance” differently than MnDOT.





# MnDOT Proposal for Changes

# First Proposed Change

## Local Stakeholder Screening Process



# Local Stakeholder Screening Process

MnDOT is proposing:

- The COC law be changed to include a new step in the project evaluation process, called the “Local Stakeholder Screening Process”.
- After the close of the Project Recommendation process, all the projects received will be grouped together according to their respective Area Transportation Partnership (ATP) geographic boundaries.

# Local Stakeholder Screening Process

## For Project Recommendations in Greater Minnesota ATPs:

- The local ATP shall review all of the project recommendations received for their area.
- Each ATP will select up to three projects to recommend be advanced to the scoring phase of the selection process (How they determine that is up to each ATP).
- Only the three recommended projects will be developed for scoring and selection, with the remaining project recommendations dropped from further consideration.

# Local Stakeholder Screening Process

## Project Recommendations in the Metro ATP:

- Project Recommendations from the seven counties in the Metropolitan Council area will be reviewed by the Transportation Advisory Board (TAB).
- TAB will recommend up to 10 projects to be advanced to the scoring phase of the selection process (How they determine that is up to TAB).
- Only the 10 recommended projects will be developed for scoring and selection, with the remaining project recommendations dropped from further consideration.

# Local Stakeholder Screening Process

## For Project Recommendations in the Metro ATP:

- Project recommendations within Chisago County, will be reviewed by the Chisago County Board.
- The County Board may recommend one project from their area to be advanced to the scoring phase of the selection process, using their own criteria.
- Only the one recommended project will be developed for scoring and selection, with the remaining project recommendations dropped from further consideration.

# Local Stakeholder Screening Process

- A maximum number of 32 projects would be fully developed and scored.
- 21 from Greater Minnesota and 11 from the Metro.
- The Greater Minnesota projects would compete against each other and the Metro projects would compete against each other in the scoring phase.
- That would be 32 projects needing development work versus the 173 from the last cycle.

# Second Proposed Change

## Definition of Regional Balance





# Definition in Law

## MnDOT is Proposing:

Under the “Definitions” section of the COC statute, the following be added;

“Reginal Balance - approximately 50 percent of the available funding be spent within eight counties which make up MnDOT’s Metro District and approximately 50 percent of the available funding is to be spent within counties that make-up the other districts in greater Minnesota.”

# Definition in Law

- This was the definition MnDOT used for the scoring process in 2018.
- It is based upon county boundaries and is easily understood by everyone.

# Third Proposed Change

Small Projects

Category



# Creation of a Small Projects Category

- MnDOT took from the pushback during the 2017 Funding project announcement that the COC program needed to provide better geographic balance in Greater Minnesota.
- Because of higher traffic volumes, number of crashes, congestion delays, and other factors, projects that are closer to the Metro Area will naturally score better than those in the more rural areas.
- To help find a better balance, MnDOT is proposing to create a Small Projects Category in Greater Minnesota.

# Creation of a Small Projects Category

## MnDOT is Proposing:

- The Greater Minnesota share of the COC funding be further divided into two sub-categories, Small Projects and Large Projects.

Small Projects Category would be for those project recommendations that the total cost of the project is \$10 M or less.

Large Projects Category would be for all those project recommendations that the total cost of the project is more than \$10 M.

# Creation of a Small Projects Category

## MnDOT is Proposing:

- 25% of the Greater Minnesota area split of COC funding would go for towards the Small Projects Category.
- All of the Greater Minnesota projects would still be scored against each other, however only the highest scoring projects \$10 M or less in total cost would be selected for the Small Projects Category.

# Time to Hear From You

- What do you think of MnDOT's proposed changes to the Corridors of Commerce program?
- Do the ATP's/TAB feel they can review and screen down the number of Project Recommendations for scoring?
- Do you have any other concerns or additional recommendations that MnDOT might want to consider proposing?

# Thank You

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