ACTION TRANSMITTAL 2014-01

DATE: December 9, 2013

TO: **TAC Planning Committee**

Carl Ohrn, Planning Analyst (651-602-1719) PREPARED BY:

2030 Transportation Policy Plan (TPP) Amendment for MnDOT SUBJECT:

Corridors of Commerce Program

MnDOT requests a TPP amendment to add funding received REQUESTED

through the Corridors of Commerce program for Trunk Highway 610 and the improvements and funding to Interstate 94 between Rogers

and St. Michael, and Interstate 694 in Shoreview

RECOMMENDED

ACTION:

Recommend that the Transportation Advisory Board adopt an amendment to the 2030 Transportation Policy Plan (adopted MOTION:

> November 2010, amended May 2013) to add the I-94 project and I-694 projects and funding and modify planned funding for TH 610 for

the purpose of a public hearing

BACKGROUND AND PURPOSE OF ACTION: MnDOT is requesting that the Metropolitan Council amend the Transportation Policy Plan to include two new projects and additional financial resources in the Council's fiscally constrained long range plan. These projects have been selected and are being funded as a result of recent state legislative action. The "Corridors of Commerce" program, authorized through Mn. Stat. 161.088 during the 2013 legislative session, established a "program for trunk highway" construction, reconstruction, and improvement, including maintenance operations, that improves commerce in the state". This program is funded at \$300M through the sale of trunk highway bonds.

Based on the legislative criteria, the MnDOT Commissioner selected projects across the state that meet the criteria and are deliverable in the near term. Three of these projects are in the Twin Cities Metropolitan Area. Two of these projects were initiated and are being led by the Metro District (TH 610 and I-694). One project was initiated and is being led by MnDOT District 3 (I-94). All three projects are within the Twin Cities Metropolitan planning area, and thus must be included in the long range plan and Transportation Improvement Program in order to proceed. TH 610 is already included in the plan but with additional funding can now be accelerated.

RELATIONSHIP TO REGIONAL POLICY: The Metropolitan Council and its Transportation Advisory Board is required, under both state and federal law, to develop a multi-modal regional transportation plan that identifies transportation system goals, needs, and investment priorities over a 20-year period.

The Plan is required to identify regionally significant transportation investments that will be implemented within the time frame of the plan. These projects must be consistent with the adopted policies of the Metropolitan Council. The plan must maintain fiscal constraint. The I-94 and I-694 projects are subject to Air Quality Conformity Analysis and Documentation which is now underway.

Upon review and recommendation of the proposed amendments by the TAB and TAC, the Council will adopt the proposed amendments for the purpose of holding a public hearing and receiving public comment. If the proposed changes are subsequently adopted by the Council, amendments to the 2014-2017 Transportation Improvement Program will be prepared and processed to allow these projects to be built. The I-94 TIP amendment will be processed concurrently with the TPP amendment.

STAFF ANALYSIS: The attached amendments to the TPP are proposed for adoption. The added text and items in various tables have been underlined. Text or table items that are to be deleted are shown as strikeouts. The following provides project details and additional analysis that is required prior to adopting the TPP amendment.

The TH 610 project from CSAH 81 to I-94 completes the four-lane freeway from TH 10. This strategic capacity enhancement project is in the 2030 TPP. The Corridors of Commerce program provides up to \$131 million for construction (based on actual project costs) which will allow a 2015 contract letting. The right of way costs are not eligible for Corridors of Commerce funds. The \$50 million required for right of way will come from the \$85 million currently allocated to TH 610 in the 2030 TPP. MnDOT Metro District is committed to providing these funds as needed to advance this project.

Other than adding the new Corridors of Commerce funding, no significant changes are required to the 2030 TPP for the TH610 project.

The I-694 project will include reconstruction of I-694 from Lexington Ave. to Rice Street to provide a dynamic shoulder lane in each direction for a distance of 2.5 miles. These lanes will be open during peak periods only (e.g. 6:00-9:00 am and 3:00-7:00 pm). Electronic signing will note when the lanes are open or closed. This project is not in the fiscally constrained 2030 TPP, but is included as a problem area in MnDOT's Congestion Management Safety Plan II (CMSPII) with a DSL as the proposed solution. The 2030 TPP identifies annual funding for CMSP projects that come out of that process. The Corridors of Commerce program will provide up to \$42 million (based on actual project costs) for this project, therefore additional CMSP projects can advance. The design of this project should accommodate and enhance the future implementation of a MnPASS lane and not preclude it in any way.

Given the I-694 project is not in the fiscally constrained TPP, a number of changes to the text and tables have been recommended. The project will be subject to Air Quality Conformity Analysis.

The **I-94** project will add an auxiliary lane east bound from TH 241 in St. Michael to TH 101 in Rogers, includes extension of the west bound exit ramp at TH 101 and addition of a westbound third lane from TH 101 to TH 241 a distance of 4.15 miles. The Corridors of Commerce program will provide up to \$46 million (based on actual project costs) for the I-94 project. This project was submitted for Corridors of Commerce by MnDOT District 3 to address a reoccurring congestion problem.

MnDOT Metro is initiating an I-94/I-494 Managed Lane Corridor Study and Traffic Analysis to determine how MnPASS can be provided along a 39 mile segment of I-494/I-94 from TH 13 in Dakota County to TH 101 in Hennepin County, with potential to extend the study to County Road 19 in Wright County. The design of the current project should accommodate and enhance the future implementation of MnPASS lanes in the corridor and not preclude it in any way.

Given the I-94 project is not in the fiscally constrained 2030 TPP, a number of changes to the text and tables have been recommended. The project will be subject to Air Quality Conformity Analysis.

COMMITTEE COMMENTS AND ACTION: INSERT TEXT

ROUTING

ТО	ACTION REQUESTED	DATE COMPLETED
TAC Planning Committee	Review & Recommend	
Technical Advisory Committee	Review & Recommend	
Transportation Advisory Board	Review & Recommend	
Metropolitan Council	Review & Recommend	
Transportation Committee		
Metropolitan Council	Review & Adopt	

PROPOSED AMENDMENT TO THE 2030 TRANSPORTATION POLICY PLAN

Revision 1

Chapter 3: Regional Transportation Finance, 2008 Omnibus Transportation funding Bill, title and first paragraph, page 27.

2008 Omnibus and 2013 Corridors of Commerce Transportation Funding Bills

The major omnibus transportation funding bill (Chapter 152) passed in the 2008 session contained a number of transportation revenue increases. The law contained an increase in the motor fuels tax (gas tax), a debt service surcharge on the gas tax, an increase in the vehicle registration tax and allowed for implementation of a new quarter cent sales tax for transitway development and operating purposes by the seven metropolitan counties. Furthermore, the 2013 Minnesota Legislature created the Corridors of Commerce program by authorizing the sale of up to \$300 million in new bonds for the construction, reconstruction and improvement of trunk highways (2013 Session Law, Chapter 117, DOC 0.5 MB). The major provisions of the 2008 and 2013 bills are described in the following sections.

Revision 2

Chapter 3: Regional Transportation Finance, 2008 Omnibus Transportation funding Bill ,Highway Funding Provisions, page 28, new paragraph following the second full paragraph.

Furthermore, the 2013 Minnesota Legislature created the Corridors of Commerce program by authorizing the sale of up to \$300 million in new bonds for the construction, reconstruction and improvement of trunk highways (2013 Session Law, Chapter 117, DOC 0.5 MB). The legislation establishes two major goals: to provide additional highway capacity on segments where there are currently bottlenecks in the system, and to improve the movement of freight and reduce barriers to commerce. Based on the legislative criteria, the MnDOT Commissioner selected projects across the state. Three of these projects are in the Twin Cities Metropolitan Area. Up to \$219 million is available for these projects (based on actual project costs). They are: I-94 from Rogers to St. Michael, I-694 from Lexington Avenue to Rice Street, and TH 610 from I-94 to County State Aid Highway 81.

Revision 3

Chapter 3: Regional Transportation Finance, Transportation Finance Issues and Trends, Lack of Funding for Highway Expansion, page 30.

Lack of Funding for Highway Expansion

Despite the passage of Chapter 152 and the <u>Corridors of Commerce program which</u> increased revenues made available for highway programs, it is clear that there continues to be inadequate funding available for highway expansion projects over the next twenty years, even if previously identified expansion projects are rescoped so that they can be constructed at a lower cost. Additional revenue will be needed for the rescoped highway expansion projects and to make other strategic highway capacity investments.

Revision 4

Chapter 3: Regional Transportation Finance, Highway and Transit Revenues, Highway Revenues, page 34, last paragraph.

Highway Revenues

Because the 2008 and 2013 legislation authorized Mn/DOT to issue trunk highway bonds financed by the new Chapter 152 and Corridor of Commerce tax revenues respectively, the actual level of highway construction spending in a given year will vary significantly up or down from the available revenues. The total amount estimated to be available to the Metro District for state highway construction in the 2015-2030 time frame from the existing state and federal taxes and from the 2008 transportation funding bill is approximately \$3.6 - \$4.1 \$3.85 - \$4.35 billion and is discussed in more detail in Chapter 6: Highways (see Table 6-24). Of this amount approximately \$900 million \$1.1 billion is estimated to be available for allocation in this plan for safety and congestion mitigation/mobility improvements.

Revision 5

Chapter 6: Highways, Fiscally Constrained Highway Investment Plan, Target Funds, Table 6-21: State Road Construction Funds, Metro District, page 83.

State Road Construction Funds, Metro District				
(in millions)				
	Federal *	State	Total	
2015 - 2020	\$ 430	\$ 900 _ <u>1120</u>	\$ 1,330 <u>1,590</u>	
2021 - 2030	\$ 950	\$ 1,550	\$ 2,500	
TOTAL	\$ 1,380	\$ 2,450 2,670	\$ 3,830 4,050	
*Mn/DOT Metro receives an average 45% of the federal				

funds that come to the region.

Revision 6

Chapter 6: Highways, Fiscally Constrained Highway Investment Plan, Target Funds, Table 6-24: TSP Metro District Highway Investment Plan: State Road Construction 2015-2030, page 84.

TSP Metro District Highway Investment Plan: State Road Construction 2015-2030

(in millions)

Fund Category	2015-2020	2021-2030	Total
Metro Share of Tier 1 and 2 Bridges	\$130	\$0	\$130
Preservation			
Pavement	\$300	\$800	\$1,100
Other Bridge	\$400	\$1000	\$1,400
BARC ¹	\$25	\$30	\$55
Other Infrastructure	\$80	\$140	\$220
Safety			
Safety Capacity	\$100	\$120	\$220
Safety- HSIP ²	\$20	\$30	\$50
Cooperative Agreements	\$30	\$30	\$60
Congestion Mitigation			
Congestion Mitigation	\$ 220 440	\$300	\$ 520 740
Team Transit	\$10	\$20	\$30
Community Improvements	\$15	\$30	\$45
TOTAL	\$ 1330 <u>1550</u>	\$2500	\$ 3830 <u>4050</u>
Total Estimated Range ³	\$ 1250 <u>1470</u> - \$ 1450 <u>1670</u>	\$2350 - \$2700	\$ 3600 <u>3820</u> - \$4 150 <u>4370</u>
4. BADC Deides and Dood Construction. 2. UCID. Highway Cofety Improvement Draware. 2. The garage reflect the		The second of th	

^{1.} BARC – Bridge and Road Construction 2. HSIP – Highway Safety Improvement Program 3. The ranges reflect the uncertainty of forecasting revenues over time.

Revision 7

Chapter 6: Highways, Progress Since Adoption of the 2004 Transportation Policy Plan, Highway Construction, new paragraph before the first full paragraph on page 68.

Highway Construction

The state used a number of funding techniques to build expansion projects in the 2004-2010 timeframe. Advance construction was first used in 2000 to allow large projects to be undertaken. This program allows states to "borrow" future federal funds for a current project. The second program, passed by the Legislature in 2003, is known as the Pawlenty/Molnau Transportation Financing Package or BAP (Bond Advance Program). This added \$550 million in Trunk Highway bonds to the region's highway construction budget. These bonds are being repaid by reducing Mn/DOT's operating budget and delaying other investments. Furthermore, the 2013 Minnesota Legislature created the Corridors of Commerce program by authorizing the sale of up to \$300 million in new bonds for the construction, reconstruction and improvement of trunk highways (2013 Session Law, Chapter 117, DOC 0.5 MB). The legislation establishes two major goals: to provide additional highway capacity on segments where there are currently bottlenecks in the system, and to improve the movement of freight and reduce barriers to commerce. Based on the legislative criteria, the MnDOT Commissioner selected projects across the state. Three of these projects are in the Twin Cities Metropolitan Area. Up to \$219 million is available for these projects (based on actual project costs). They are: I-94 from Rogers to St. Michael, I-694 from Lexington Avenue to Rice Street, and TH 610 from I-94 to County State Aid Highway 81.

Revision 8

Chapter 6: Highways, Fiscally Constrained Highway Investment Plan, 2011-2030 Highway Funding Resources, third and fourth paragraphs, page 82.

The actions of the 2008 Legislature increased revenues for the state trunk highway system by an estimated \$2.6 billion (from 2009-2018) and for the cities and counties by \$1.8 billion (2009-2018). Chapter 152 provides a 3.5 cent gas tax primarily to pay for bonds to repair or replace bridges and some smaller allocations, such as for transit advantages and interchanges. Furthermore, the 2013 Minnesota Legislature created the Corridors of Commerce program by authorizing the sale of up to \$300 million in new bonds for the construction, reconstruction and improvement of trunk highways (2013 Session Law, Chapter 117, DOC 0.5 MB). The legislation establishes two major goals: to provide additional highway capacity on segments where there are currently bottlenecks in the system, and to improve the movement of freight and reduce barriers to commerce. Based on the legislative criteria, the MnDOT Commissioner selected projects across the state. Three of these projects are in the Twin Cities Metropolitan Area. Up to \$219 million is available for these projects (based on actual project costs). They are: I-94 from Rogers to St. Michael, I-694 from Lexington Avenue to Rice Street, and TH 610 from I-94 to County State Aid Highway 81.

The total highway resources available for the region in the 2011-2030 period, is estimated at $\frac{\$8.0 \$8.2}{\$8.7 \$8.9}$ Billion, is shown in Table 6-18. Those funds can be categorized as follows:

Revision 9

Chapter 6: Highways, Fiscally Constrained Highway Investment Plan, Table 6-18: 2011 -2030 Regional Highway Investments, page 82.

2011-2030 Regional Highway Investments			
TIP (2011-2014)			
Local & Mn/DOT Highway	\$1.3 B		
Chapter 152 Bridge	\$1.1 B		
Est. 2015-2030 Metro Area Funds			
Mn/DOT State Road Construction	\$3.6 - \$4.2 B		
Ch. 152 Bridge (2015-2018)	\$0.3 B		
Corridors of Commerce (I-94, I-694 & TH 610)	\$0.2 B		
Regional Solicitation \$1.7 - \$1.8			
TOTAL Investment 2011-2030	\$8.0 \$8.7 B \$8.2 - \$8.9 B		

Revision 10

Chapter 6: Highways, Congestion Mitigation / Mobility Enhancements, page 89.

This plan supports the implementation of ATM improvements, lower-cost / high-benefit projects and new managed lane and affordable strategic capacity expansion to mitigate congestion and improve mobility. However, only about \$900 million_1.1 billion is forecasted to be available for these types of projects in the 2015-2030 period. This makes it critical that limited resources available for congestion mitigation and mobility be used, whenever possible, to augment preservation and safety funds and funds from the Chapter 152 bridge program to implement projects that meet multiple objectives. Table 6-29 shows a sub-allocation of the estimated \$900 million_1.1 billion by investment type. This allocation reflects the policy direction in this plan and will be used in project programming decisions. These funds represent the level of effort that will be made to mitigate congestion, provide increased safety and improve regional mobility.

Revision 11

Chapter 6: Highways, 2015-2030 Highway Investment Plan, Table 6-29: Congestion Mitigation and Safety Investment Plan, page 89.

2015-2030 Congestion Mitigation and Safety Investment Plan (in millions)

	2015-2020	2021-2030	2015-2030
Active Traffic Management (ATM)	\$ 30	\$ 50	\$ 80
Lower-Cost / High-Benefit (CMSP Projects)	\$ 120 <u>162</u>	\$ 200	\$ 320 <u>362</u>
Managed Lane / Strategic Capacity Enhancements	\$ 170 <u>347</u>	\$ 330	\$ 500 <u>677</u>
TOTALS	\$ 320 <u>539</u>	\$ 580	\$ 900 <u>1,119</u> *

^{*} The \$900M_1.1B funding level assumes the Metro District will receive supplemental funds in addition to its formula funding through competitive special funding programs such as Corridors of Commerce

Revision 12

Chapter 6: Highways, 2015-2030 Highway Investment Plan, Lower-Cost/High-Benefit Projects, page 92

Lower-Cost / High-Benefit Projects

The Congestion Management and Safety Plan (CMSP) defines a process and evaluation criteria to select lower-cost / high-benefit projects to address mobility constraints throughout the entire metropolitan area. During the 2009 planning effort, approximately 180 problem areas were identified and evaluated. A number of those projects are included in the 2011-2014 TIP, and others are part of the major corridor reassessment recommendations which are included in Table 6-36. Table 6-32 and Figure 6-33 show lower-cost / high-benefit projects which have been completed or are under development by Mn/DOT. Some of these projects include capacity enhancements, such as short auxiliary lanes, and ATM projects, such as installing additional ramp meters. \$120_162 million is available to implement these and other lower-cost / high-benefit projects in the 2015-2020 period. An additional \$200 million is projected for the 2021-2030 period to be allocated in accordance with the process and evaluation criteria defined in the CMSP. Additional funds may be generated in the 2015-2030 time period for lower-cost / high-benefit projects through the Regional Solicitation process.

Revision 13

Chapter 6: Highways, Congestion Mitigation / Mobility Enhancements, Strategic Capacity Expansion, page 99.

Strategic Capacity Expansion

Completing the unfinished segment of TH 610 and its connection to I-94 is a strategic capacity expansion project with new general purpose lanes to close a significant gap in the Metropolitan Highway System. Some strategic capacity enhancements may also be achieved by implementing interchange consolidation/closure initiatives and adding short general purpose lane additions, such as the TH 252 improvement discussed under the Major Project Reassessment section. In addition, the I-94 project from TH 101 to TH 241 is being funded as part of the Corridors of Commerce program. In the case of I-94 project, this improvement will not preclude future development of MnPASS lanes.

Revision 14

Chapter 6: Highways, Fiscally Constrained Mobility / Congestion Mitigation Priorities, Table 6-37: Fiscally Constrained Congestion Mitigation/Mobility Investments, first full paragraph, page 102.

As demonstrated earlier, the fiscally constrained state road construction budget is estimated to provide \$3.8_4 billion through 2030 (see Table 6-21 and Table 6-24), with only \$900 million \$1.1 billion (23_28%) available for mobility and congestion mitigation in the 2015-2030 time period. This plan calls for the \$900 million \$1.1 billion to be sub-allocated into three categories: ATM investments, lower cost/high benefit projects and managed lanes/strategic capacity projects as shown in Table 6-37. The allocation of these funds assumes the implementation of projects that meet multiple objectives, such as preservation and congestion mitigation within one project. Should any project increase in cost above that shown in Table 6-37, adjustments will be needed within the investment category or other projects will be delayed. The region, working with Mn/DOT, will continue to seek additional revenues to ensure that these projects and possibly more can be advanced to actual implementation. As additional revenues are secured through increased funding levels or competitive grants the funds should be used to increase the spending levels for the investment categories shown in Table 6-37 and bring the region closer to fully funding the investment needs identified in this plan.

Revision 15

Chapter 6: Highways, Fiscally Constrained Mobility / Congestion Mitigation Priorities, Table 6-37: Fiscally Constrained Congestion Mitigation/Mobility Investments, page 103.

2015-2020 Fiscally Constrai	ned Congestion Mitigation/Mobility Investments	
Active Traffic Management (ATM)	Add and enhance electronic infrastructure to Trunk Highways throughout region	\$ 23 M
Estimated 6-year Budget \$30 M	ATM required for I-494 Managed Auxiliary Lane, Westbound I-35W to TH 100	\$ 7 M
Lower-Cost / High-Benefit	Set aside to be programmed through CMSP process (under development)	\$ 60 M
Estimated 6-year Budget \$120_162M	Available for lower-cost / high-benefit projects in Table 6-32 and others	\$ 57 M
	TH 252, add general purpose lane north and south of 81st Avenue Intersection to complete 3 general purpose lanes northbound	\$ 3 M
	I-694, reconstruction including dynamic shoulder lanes through the Corridors of Commerce program	<u>\$42 M</u>
	Advance the connection of TH 610 to I-94 with lower-cost investment through the Corridors of Commerce program	
Managed Lane/Strategic Capacity Enhancements	ROW funded from original strategic capacity allocation	\$ 85 131-M
		<u>\$ 50</u> M
Estimated 6-year Budget \$170 347 M	Help fund I-35E/Cayuga managed lane, MnPASS 2, Tier I recommendation with direct connection to CBD and/or extension beyond little Canada Rd.	\$ 15-50 M
	Set aside for MnPASS 2, Tier 2 recommendations. (This allocation will be reduced if TH 610 or I-35E project costs increase)	\$ 35-70 <u>70</u> - <u>105</u> M

	I-94 from TH 101 to TH 241 lane addition through the Corridors of Commerce program.	\$ 15-50 <u>46</u> M

DRAFT Amendment Schedule for Corridors of Commerce Projects:

- I-94 and I-694 Transportation Policy Plan Amendment
- I-94 TIP/STIP Amendment

Date	Action	Staff	Notes
Early December	Mn Interagency AQ and	MPCA, MnDOT, Met Council	
	Transportation Planning Comm.	Transportation Services, FHWA	
	Review amendment schedule,	Planning and Research Manager	
	project info, and AQ conformity		
	analysis		
December 9, 2013	Mailing of TPP amendment to TAC	Met Council, with materials	
	Planning Committee	supplied by MnDOT Metro and	
		D3	
December 12, 2013	TAC Planning Comm. Recommend	Met Council and MnDOT Metro	
	TPP amendment for public	District	
	comment to TAC		
December 12, 2013	Mailing of TIP amendment to	Met Council Transportation	
	Funding and Programming Comm.	Services	
December 19, 2013	TAC Funding and Programming	Met Council Transportation	
	Comm. recommend TIP	Services	
	amendment to TAC		
December 27, 2103	Send TPP and TIP amendment with	Met Council Transportation	
	AQ conformity analysis to MPCA for	Services	
	review		
January 8, 2014	TAC recommends amendments for	Met Council Transportation	
	public comment to TAB	Services	
January 15, 2014	TAB recommends amendments for	Met Council Transportation	
	public comment	Services	
January 27, 2014	Transportation Committee adopts	Met Council Transportation	Business item should
	TPP amendment for public	Services	include MPCA letter of
	comment		comment on air quality
			conformity analysis
Feb. 12, 2014	Met Council adopts TPP	Met Council Transportation	
	amendment for public comment	Services	
Feb. 17, 2014	Public hearing notice posted in the	Met Council Transportation	
	state register. (must be 30 day	Services, Communications	
	notice) Public comment period		
	begins, info available on website		
March 24, 2014	Public Hearing before Council	Met Council Transportation	
	Transportation Committee on TPP	Services	
	amendment		

March, 2014	MnDOT issues RFP	MnDOT	
Friday April 4, 2014	Public comment period closed (10	Met Council Transportation	
	days after hearing)	Services	
April 14, 2014	Transportation committee adopts	Met Council Transportation	
	public comment report and final amendment	Services	
April 16, 2014	TAB reviews public comment	Met Council Transportation	
,	report and final amendment	Services	
April 23, 2014	MC adopts public comment report	Met Council Transportation	
	and final amendment	Services	
April 24, 2014	MC forwards TPP amendment to	Met Council Transportation	
	MnDOT Transportation System	Services	
	Management		
April 25, 2014	MnDOT forwards amendment to	MnDOT Transportation System	
	FHWA	Management	
April 28, 2014	FHWA forwards to EPA for review	FHWA Planning and Research	
	of conformity determination	Manager	
April 30-May 27,	EPA comment	EPA	Maximum 30 day
2014 (maximum)			comment period. Can
			be reduced(?)
May 1-June 6, 2014	FHWA approval	FHWA Planning and Research	Depending on EPA
		Manager	review timeline
July 2014	MnDOT awards contract		