



ACTIVE TRANSPORTATION WORKING GROUP NOTES

March 8, 2024

Attendees: Glen Johnson, Brian Martinson, Mary Liz Holberg, Peter Dugan, Amity Foster, Mark Steffenson, Julie Jeppson, Jeni Hager, Brian Issacson, Michael Thompson, Marc Briese, Aaron Tag, Craig Jenson, Jordan Kocak, Lyssa Leitner, Joe Widing, Steve Peterson, Amy Vennewitz, Charles Carlson, Cole Hiniker, Bethany Brandt-Sargent, Joe Barbeau, Elaine Koutsoukos, Steve Elmer, Heidi Schallberg, Robbie King, Akeem Musa, Ashwat Narayanan

Recurring Future Meeting Timing

Chair Johnson opened discussion on a future recurring meeting time for future meetings.

Member Dugan stated that Wednesday work best but could also make room other days as needed.

Cole Hiniker noted that spring break this year will be on April 1st which may impact a meeting for the first week of April.

Staff will send out a poll to determine best day/time of the month to meet in the future and follow up with a calendar hold for work group members.

Project Federalization Information Item

Jeni Hager from Minneapolis presented an overview of the federalization process for local projects and associated costs for local governments. Presentation materials available separately.

Member Dugan asked if the 25% of project cost number given for engineering/soft costs in the example was driven by federal requirements.

- Member Hager replied that generally, it is assumed that about 25% of project costs will be these soft costs and is true for any project. When projects are federalized, however additional costs are accrued by a local government to meet additional administrative project requirements from the federal process. These costs are not typically covered by federal grants and must be covered by local government.

Chair Johnson asked if larger cities are more able to work with and navigate this process than smaller jurisdictions.

- Member Hager responded that smaller organizations are at a disadvantage in the federal process. Minneapolis has dedicated grants staff for this purpose, but that is not true for many other smaller jurisdictions and organizations.

Member Jepson asked if there are any eligibility or other requirements that differ between state and federal standards and if there are, which takes precedence when considering grant funding.

- Member Issacson responded that typically if there is conflict between federal or state requirements that the federal rules would tend to overrule state rules. It is also very rare for there to be any instances of this occurring.

Vice Chair Martinson stated that the costs of grant application or other federal grants can be much higher than the number outlined in the presentation and asked if the data includes staff time.

- Member Hager responded that the figure did not include staff time dedicated to the application process. She noted that a recent bridge grant application cost \$90,000 combined with staff and consultant efforts.

Chair Johnson recommended to avoid federalization with these funds considering the significant cost increases associated with the federal process.

- Member Hager agreed and said that technical members would like to avoid the federal process with these regional funds.

Vice Chair Martinson added that the benefits from the federal process should not be ignored. The federal process includes positives as well as the noted negatives and the group should be considering some of the positive aspects of federal requirements as well.

2024 Direction Recommendation for TAB Consideration

Steve Peterson presented the options for the group to consider for 2024 and beyond funding. Three options for 2024 were presented, no funding in 2024, cover requested amount for small AT projects in 2024 solicitation, cover local match for 2024 AT awarded projects.

Vice Chair Martinson asked if the federal funding process includes reimbursement to local agencies for costs associated with projects.

- Steve Peterson responded that is correct, grants awarded through the RS are reimbursed to local agencies through the state aid office. He noted this can present a cash flow issue for some local agencies.

Chair Johnson noted that the details outlined in the presentation can be tweaked with further discussion and that the group should weigh in on more the general direction of the options to move for TAB to consider.

Member Jepson stated that she supported option 2 (cover requested amount for small AT projects). She does not want to sit on revenue for AT projects for too long. Waiting to 2026 would be too to wait to disburse funds. She asked if including additional AT money in 2024 would impact the existing RS modal ranges?

- Steve Peterson responded that the modal funding ranges are based on federal dollars to the region, this regional funding should not impact the federal modal ranges. Other additional funding in the past (PROTECT, Carbon Reduction) has not impacted the federal ranges.

Chair Johnson noted that the language would preclude us from altering the existing modal ranges, this funding should be thought of as supplementary and not substituting funding.

- Steve Peterson responded that when getting new funding sources the Council tries not to supplant funding, the intent of this new regional funding is to more of something and not to swap money around.

Member Jepson noted that she agrees that applicants were not aware that this funding may be used in the 2024 solicitation, but that is not a big issue as no agency were aware and it is not uncommon for new funding to come in at different stages of various processes. She was concerned with a specific \$2 million limit for projects.

- Steve Peterson responded that the \$2 million number for project costs is not set in stone, was chosen in order to cover pedestrian and safe routes to school projects as that is their limit, however this number can be altered in further discussions with this group.

Member Thompson stated that he had concern with tying the AT funding to the RS. Thinks having a simplified process ready for 2025. Can still accelerate projects with a 2025 AT solicitation. This could

capture smaller cities that don't typically apply for RS. Counties will be getting more money as well, while cities will not. Who should be eligible for these funds? Something which could be vetted with a 2025 solicitation. Also important to note that county projects usually require local contributions – this varies by county.

Member Holberg stated she would like to get funding out quick for AT projects and to get the money moving now. Getting money out now would not be perfect but sees value in that. She also noted that cost sharing policies differ by county and by project, Dakota County has a range of 0% to 45% of a project depending on scope.

Overall interest in hearing from counties on existing cost sharing policies and future changes to these policies. Relevant to the new regional AT funding as counties also will receive dedicated AT funding separately.

Vice Chair Martinson stated that he wanted to reiterate a point for the 2024 funding option 2. He found the pilot of the grant administration compelling for this option. He noted that there is a learning curve to managing grants, having a smaller initial program would allow Council to learn for future larger solicitations.

Chair Johnson asked if as part of the pilot there would be follow up with TAB.

- Steve Peterson responded that the intent would be provide TAB with information from the pilot to see what we learned.

Member Jepson recommended to remove option 3 from consideration – overall group agreed.

Member Issacson agreed to frame the 2024 funding option as a pilot. He noted that the cost or size of a project is not necessarily easier, the amount of projects is more the difference maker in complexity. He also stated that if too much is done in a single year that there could be capacity constraints of the construction industry in the region to meet the demand of projects.

Chair Johnson asked about the status of the new county specific AT funding and if county officials could share their thinking on these funds to the work group.

- Member Issacson responded that at Ramsey County they are still assessing possibilities and that they may have more information later in the year, but not ready to discuss this yet.

Chair Johnson asked the group if there is support to further pursue option 2 (2024 supplemental funding for smaller RS AT projects).

- Members from the group supported pursuing option 2 further and dropping option 3 from consideration. Members generally supported getting some money out as soon as possible. The group agreed to leave option 1 (no funding in 2024) as a backup but agreed option 2 should be the primary consideration.

Chair Johnson stated that he will present the information to TAB – specific to the point of pursuing more details for option 2 for 2024 funding.

Steve Peterson noted that the item will be an information item this time around, and an action item for the TAB to consider will follow at a later date when details are clearer. This information item would be best to be brought by members of the group and not staff, this is coming from the working group. Later action item would be presented by staff to the TAB.

Items for future meetings:

1. Further details and specifics on Option 2 for the group to consider and discuss in order for a recommendation to be forwarded to the TAB.
 - a. Pilot
 - b. Amount of total funding available

- c. Local match requirements
 - d. Desired size of selected projects
- 2. Information from Counties for briefing on new County AT funding priorities for counties.
- 3. Send poll to work group members on preference for future recurring meeting time (time of month, day of week, time of day)