

Active Transportation Work Group

Regional Solicitation Evaluation



July 25, 2025



Contents

Meeting Overview and Objective	02
Local Match Requirements Discussion	04
Minimum and Maximum Award Discussion	14
Funding Availability and Reserve Discussion	20
Preview of Future Item: Geographic Balance	25
Next Steps	28

Key Items for AT Work Group 2025



Recommend additional active transportation application categories (if any) that should be incorporated into proposed Regional Solicitation structure (March 2025)



Recommend to TAB how local active transportation and federal funds will be utilized within the overall Regional Solicitation structure (April 2025)



Review and recommend project funding considerations: required local match, minimum and maximum award amounts, reserves policy, and funding available for 2026 AT solicitation **(July and August)**



Review and gather feedback on solicitation details: application materials, geographic balance, and solicitation timing for active transportation categories (September and October)



Monitor progress of projects awarded active transportation funding (ongoing)

Objective of today's meeting



Today's Discussion

Review and discuss financial considerations for Active Transportation Program

- Local match: Options and pros and cons for local match requirements for Active Transportation funded projects
- Draft minimum and maximum award amounts for Active Transportation funded projects
- Reserve funding and total funding released for 2026 Active Transportation Solicitation (if time)

Local match requirements for AT funded projects



Proposed Modal+ Hybrid Structure

Safety

Proactive Safety (All Modes):

Small Projects (HSIP)
Large Project
(Reg Sol Federal
Funding)

Reactive Safety (All Modes):

Small Projects (HSIP)
Large Projects
(Reg Sol Federal
Funding)

Dynamic and Resilient

Bicycle/Pedestrian

Federal Reg Sol Funding

Regional Bike Facilities

Reg Active Transportation Funding

Local Bike Facilities

Local Pedestrian
Facilities

Active Transportation
Planning

Transit

Transit Expansion
(Including
Microtransit)

Transit Customer
Experience

Arterial Bus Rapid
Transit

Roadway

Roadway
Modernization

Congestion
Management
Strategies

- At-Grade Projects
- New Interchanges

Bridge Connections

Environment

EV Charging
Infrastructure

Travel Demand
Management
(TDM)

Regional Data

Regional Modeling/Travel Behavior Inventory

The goal area, Our Region is Equitable and Inclusive, is being proposed as a scoring measure called Community Considerations.

Local Match – Active Transportation



Considerations for Match Requirements

- No match requirements established in state law
- Law requires criteria or prioritization based on “*geographic equity in project benefits, with an emphasis on communities that are historically and currently underrepresented in local or regional planning*”
 - Directing TAB to consider how to aid communities that have not been represented in past funding opportunities
- Federally funded projects require at least 20% local match (or from another source)
 - Match requirement has been noted to limit project applications for certain communities due to unavailability of local funds
- State statute requires local communities to maintain new infrastructure in the future which could be considered as a local match

Local Match – Active Transportation (2)



Technical partner feedback

Local partners have expressed desire to see a small or no match if feasible.

- Local match requirements can be an impediment for applying for funding for smaller communities and even larger communities which rely on state-aid funds for matching funds.
- Local partners work on application and commitment to construction seen by some as enough vested interest to ensure projects are completed.

Concern expressed if no match amount.

- Applicants would have no “skin in the game” for projects – may see significant number of applications from larger, more resourced communities.
- If communities are not required to identify local match in budget, project schedules may slip.

If local match is required, local partners would like to see more aspects of a project be eligible for funding like engineering or project design (which has not been eligible for federal awards)

Local Match – Active Transportation ⁽³⁾



MnDOT Active Transportation Program

MnDOT's Active Transportation program does not require local match for infrastructure or planning grants.

- State Aid has indicated that not requiring a match for infrastructure grants has led to a greater number of underrepresented and smaller rural communities to apply for project funding.
 - The program has seen great interest among even the smallest communities with 16 non-state aid communities applying for funds in the 2024 solicitation.
- AT infrastructure grants only cover project construction, so communities must provide local funds for design, engineering and ROW which MnDOT considers adequate local contribution.
- Planning grants are managed centrally by MnDOT to work with selected communities – further reducing barriers for local communities with limited staff or experience managing contractors.
 - Successful in attracting smaller local communities to plan for AT.
 - Communities are expected to lead engagement and implementation efforts to build local capacity for further active transportation improvements beyond the planning phase.

Local Match – Active Transportation ⁽³⁾



Considerations for Match Requirements

- **Potential options to consider for infrastructure projects**
 - **Option 1: No local match required**
 - Selected projects could be funded 100% with awarded funds. No local match required to be identified.
 - **Option 2: Smaller match than federal**
 - A local match would be required, but less than the 20% that is required for federal awards.
 - **Option 3A: Same match as federal**
 - Keep the required match the same as the required 20% for federal awards.
 - **Option 3B: Same match as federal**
 - Additional funding eligibility for project elements like engineering and design.
 - **Planning may have different match requirements.**

Option 1: No Local Match



Pros

- Allows for all community sizes and types to apply for project funding without needing local funds to match.
- Would encourage even the smallest communities to apply if they cannot meet match requirements from other grants.
- Simplifies project delivery for local communities.

Cons

- Could incentivize communities to apply for any planned projects with no need to budget a match.
- Project timelines may slip with no local match to incentivize projects to keep on schedule.
- Could fund fewer projects with no local funding requirements.

Option 2: Smaller Local Match Required



Pros

- Easier than federal funding for smaller communities to meet to encourage participation.
- Would ensure local communities still have a vested interest in project completion, without being overburdened on local match.

Cons

- Any match amount could limit very small community participation.
- Small match likely won't free up much funding for additional projects.

Option 3A: Same Local Match Required as Federal



Pros

- Already understood for applicants of Regional Solicitation.
- Could fund more and/or larger projects with the same regional funds (if match is larger, local funds would cover more project cost, stretching regional funds for more projects, or to larger projects).
- Would ensure local communities have a vested interest in project completion.

Cons

- 20% match has been known to limit participation from smaller communities.
- Could lead to project implementation issues - budgeting issues with local match sources at less well funded communities leading to some projects returning funds.

Option 3B: Same as Federal with Additional Eligibility



Pros

- Could fund more and/or larger projects with the same regional funds.
- Would ensure local communities have a vested interest in project completion.
- Would allow flexibility for locals to apply grant funds to multiple aspects of a project.

Cons

- 20% match has been known to limit participation from smaller communities.
- Could lead to project implementation issues - budgeting issues with local match sources at less well funded communities leading to some projects returning funds.
- Could lead to less developed projects applying and longer lead times for projects to be completed.

Local Match Discussion



Considerations for Match Requirements

Potential options to consider for infrastructure projects

- **Option 1: No local match required**
 - Selected projects could be funded 100% with awarded funds. No local match required to be identified.
- **Option 2: Smaller match than federal**
 - A local match would be required, but less than the 20% that is required for federal awards.
- **Option 3: Same match as federal**
 - Keep the required match the same as the required 20% for federal awards.
- **Option 3B: Same match as federal**
 - Additional funding eligibility for project elements like engineering and design.

Of these options, which do you think is most appropriate for the active transportation sales tax funded project categories?

Minimum and Maximum Awards



Minimum and Maximum Award

Drafted Award Amounts Developed with Partners

Minimum and maximum award amounts were developed with the Special Interest Working Groups and discussed with the Technical Steering Committee.

Showing proposed minimum and maximums for each pedestrian and biking category.

Federal Regional Solicitation:

- Regional Bike Facilities

Active Transportation Sales Tax:

- Local Bike Facilities
- Local Pedestrian Facilities
- Active Transportation Planning



Active Transportation

Regional Bike Facilities – Proposed Project Award Min/Max

Proposed Application Category
Name:

**Regional Bike Facilities
(Federal Funding)**

The regional bike facilities category intends to focus the federal Regional Solicitation funding into projects which complete the regionally identified networks or barriers to bicycling.

Proposed project award min/max

- Min: \$1,000,000
- Max: \$5,500,000

Considerations

- Keeping maximum for federally funded bike projects at \$5.5M
- Previous TAB policy decision to set max for federally funded bike projects at \$5.5M
- Average award amount for multi-use trail/bike facilities from 2024 Solicitation = \$3,630,409
- Regional Bike Facilities category most likely for grade separation projects (higher maximum)
- Higher maximum and minimum to differentiate categories (smaller projects on RBTN can apply in Local Bike Facilities category w/o regional prioritization)

Active Transportation

Local Bike Facilities – Proposed Project Award Min/Max

Proposed Application Category
Name:

Local Bike Facilities

The local bike facilities category intends to focus the active transportation sales tax funding onto local bicycle system implementation.

Proposed project award min/max

- Min: \$150,000
- Max: \$3,500,000

Considerations

- Lower maximum would differentiate from federal funds
- Reduced minimum amount to allow for small projects in smaller communities
- \$3.5M previous technical recommendation for federal bike projects in the past
- Lower max allows for more projects to be funded per cycle
- Helps in regional balance considerations

Discussion

- Should the max funding be changed? What factors to consider?
- Should the max vary by community type (e.g., rural vs. urban) for more regional balance?

Active Transportation

Pedestrian Facilities – Proposed Project Award Min/Max

Proposed Application Category
Name:

Pedestrian Facilities

The pedestrian facilities category intends to fund pedestrian focused projects which improve mobility, safety or accessibility for pedestrians in local communities with active transportation sales tax revenues.

Proposed project award min/max

- Min: \$150,000
- Max: \$2,500,000

Considerations

- Pedestrian projects typically less expensive than bike projects (smaller in scope)
- Raising the max from \$2M in previous solicitations to account for cost escalations in project costs
 - 7/17 pedestrian facilities applications requested full \$2 million in 2024
 - Pedestrian facilities average request = \$1.6M
 - SRTS average request = \$875,000 (\$1M max) 6/10 requested full amount
- Larger max allows for larger pedestrian focused projects or systematic improvements to safety or ADA
 - Reduce the amount of individual grants to manage if packaged

Discussion

- Should the max funding be changed? What factors to consider?

Active Transportation

Active Transportation Planning – Proposed Project Award Min/Max

Proposed Application Category
Name:

Active Transportation Planning

The Active Transportation Planning category intends to help communities establish plans to prioritize future investments in active transportation.

Proposed project award min/max

- Min: \$50,000
- Max: \$200,000

Considerations

- Range would allow for different scales of planning projects to be funded.

Discussion

- Should the max funding be changed? What factors to consider?
- Should the Council consider holding and managing consultant contract to assist locals rather than granting out funds for locals to procure own services?
 - This would mean there would be no minimum or maximum award amount.
 - MnDOT Active Transportation Planning Program currently operates in this way and finds this method to be much more helpful for very small communities with limited staff and experience managing contractors.

Minimum and Maximum Award – All Categories

2026 Proposed Category	Proposed 2026 Min	Proposed 2026 Max	2024 Average Award
Safety			
Proactive/Reactive Safety	\$2,000,000	\$7,000,000	N/A
Roadway			
Congestion Management Strategies – At-Grade Projects	\$1,000,000	\$10,000,000	\$10,000,000
Congestion Management Strategies - Interchanges	\$1,000,000	\$20,000,000	N/A
Roadway Modernization	\$1,000,000	\$10,000,000	\$ 6,677,731
Bridge Connections	\$1,000,000	\$7,000,000	\$5,927,000
Transit			
Arterial BRT	N/A	TBD	\$25,000,000
Transit Expansion	\$500,000	\$10,000,000	\$3,935,962
Transit Customer Experience	\$500,000	\$10,000,000	\$4,112,886
Bike/Ped			
Regional Bike Facilities	\$1,000,000	\$5,500,000	\$3,630,409
Local Bike Facilities (Local Funding)	\$150,000	\$3,500,000	N/A
Local Pedestrian Facilities (Local Funding)	\$150,000	\$2,500,000	\$1,372,405
Active Transportation Planning (Local Funding)	\$50,000	\$200,000	N/A
Environment			
EV Charging Infrastructure	\$250,000	\$2,000,000	N/A
TDM	\$100,000	\$750,000	\$464,116

Funding Availability and Reserves



Active Transportation Program Financials

Financial Update

Active Transportation Sales Tax Revenue Summary	Amount	Notes
2023 Revenue	\$5,088,439	
2024 Revenue (including interest)	\$21,519,044	
2025 Revenue to date (including interest)	\$5,070,739	Jan-March
\$2 million from legislature	(\$2,000,000)	For UMN Washington Avenue Bridge
2024 Projects selected total	(\$18,732,689)	
Projects Returned Award - 2	\$1,704,500	
Total Encumbered	\$19,028,189	2024 Selected projects + Washington Ave Bridge
Total Revenue Unencumbered	\$12,650,032	Revenue (to March '25) and interest (to May '25) minus awarded projects

*Original annual revenue estimate = \$24M

Future Financial Estimate

Remainder of 2025 Revenue Estimate	\$17,020,000	April-Dec
Annual Revenue Estimate - 2026 total	\$22,920,000	Including estimated interest income
Total Estimated Available – through 2026	\$52,590,032	

Funding Availability for 2026 Solicitation and Reserve Funds



Estimated Potential Amount Available for a 2026 Solicitation

Total drawdown in 2025 from 2024 Selected Projects	\$1,000,000
Potential Unencumbered Real Dollars Undistributed - End of 2025	\$28,670,032
Potential Real Dollars Undistributed - End of 2025	\$47,698,221
Potential Total for 2026 Solicitation (Existing rev unencumbered + remainder of 2025 and 2026 estimated revenue + interest)	\$52,590,032
Potential Total for 2026 Solicitation if adding future years expected funding (2027 anticipated funding)	\$75,590,000

Financial Discussion Questions



What amount of funding should be made available in the 2026 Solicitation?

- \$52,590,032 estimated to be available for 2026 Solicitation
- If future expected years added for 2026 Solicitation (2027)
 - Total available could be up to \$70M
- Should a range be set for total award amount in 2026 solicitation?

Financial planning considerations

- Funding in account generates interest
- Leaving some funding in reserve ensures no cash flow issues as solicitation awards begin to overlap in future years and many projects are drawing funds out of account
- Any funds left unencumbered in account could be used by legislature in the future

Should the active transportation solicitation ensure \$X amount remains in the account?

Preview of Future Items



Future Meeting: Geographic Balance for Active Transportation Funds

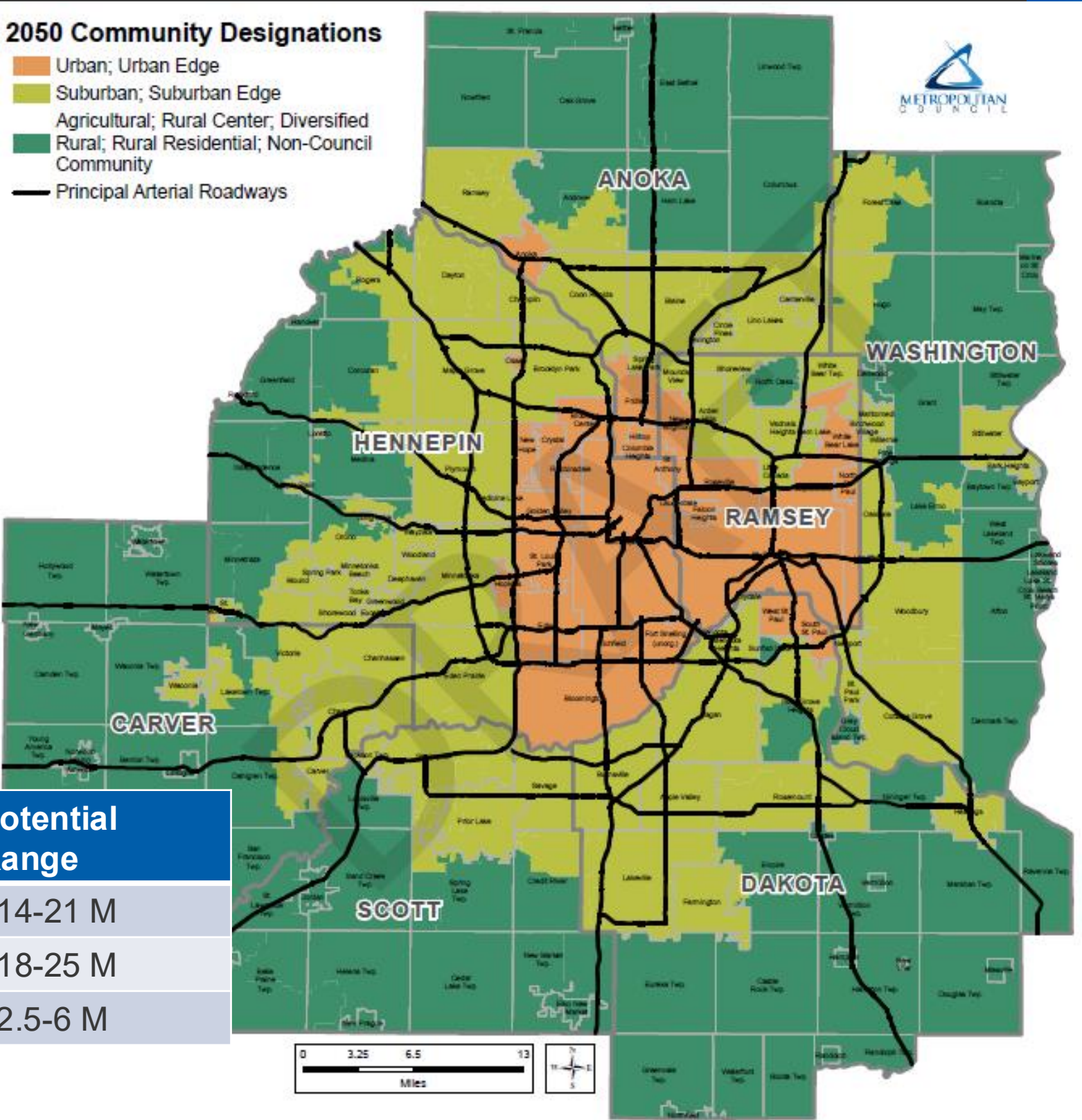
Options for Active Transportation Funding

1. **Do nothing.** Additional funding may naturally lead to geographic balance.
2. **Split into three geographic buckets** based on Imagine 2050 Community Designations. Distribute the available funding based on population.
3. **Guarantee at least one project from the urban, suburban, and rural areas or limit the number of applications** for each agency to ensure the funding is spread around the region.

Geographic Balance for AT

Potential Funding Splits

Designation	Population	Jobs	Potential 2 Year Funding	Potential Range
Urban	42%	53%	\$17.6 M	\$14-21 M
Suburban	52%	45%	\$21.84 M	\$18-25 M
Rural	6%	2%	\$2.52 M	\$2.5-6 M



Next steps



Next steps:

1. Technical details for solicitation (qualifying criteria, scoring measures, application details) being reviewed by council staff and technical partners
2. Next TAB AT Work Group meeting
 - Will need to meet through the fall
 - August/September/October
 - Will send out availability polls
3. Future items to be discussed:
 - Recommendations on today's items - August meeting
 - Review technical items for solicitation from Special Interest Working Groups and technical partners
 - Direction on Active Transportation Solicitation timing/relationship to overall federal Regional Solicitation
 - Direction on geographic considerations