



Active Transportation Work Group

Regional Solicitation Evaluation



August 25, 2025

Objective of today's meeting



Today's Discussion

Brief high-level overview of draft application materials

Discussion on items to be acted on in September meeting

- Reserve funding and total funding released for 2026 Active Transportation Solicitation (discussion only)
- Geographic Balance Considerations (discussion only)

Forward a recommendation on 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

Key Items for AT Work Group 2025



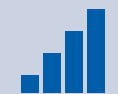
Recommend additional active transportation application categories (if any) that should be incorporated into proposed Regional Solicitation structure (March 2025)



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)

Draft Application Category Details



Application Questions, Scoring Criteria and Measures

Developed with technical partners through the Special Interest Working Groups

Draft application details sent out for initial technical review on 8/20

- To be discussed at the 9/4 Technical Steering Committee

Application categories

- Regional Bicycle Facilities (federal funding)
- Local Bicycle Facilities (active transportation funding)
- Pedestrian Facilities (active transportation funding)
- Active Transportation Planning (active transportation funding)

Key aspects being reviewed by technical partners

- Project eligibility
- Application questions
- Scoring criteria and measures

Initial feedback or concerns from draft materials?

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

Amount of Funding to be Made Available for the 2026 Solicitation

- \$52,590,032 estimated to be available for 2026 Solicitation
 - Remainder of '23/'24 revenue plus '25/'26 revenue
- If future expected years added for 2026 Solicitation (2027)
 - Total available could be up to estimated \$70M

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 there is a reserve amount of funds remaining in the account?



Geographic Balance



Geographic Balance for Active Transportation Funds

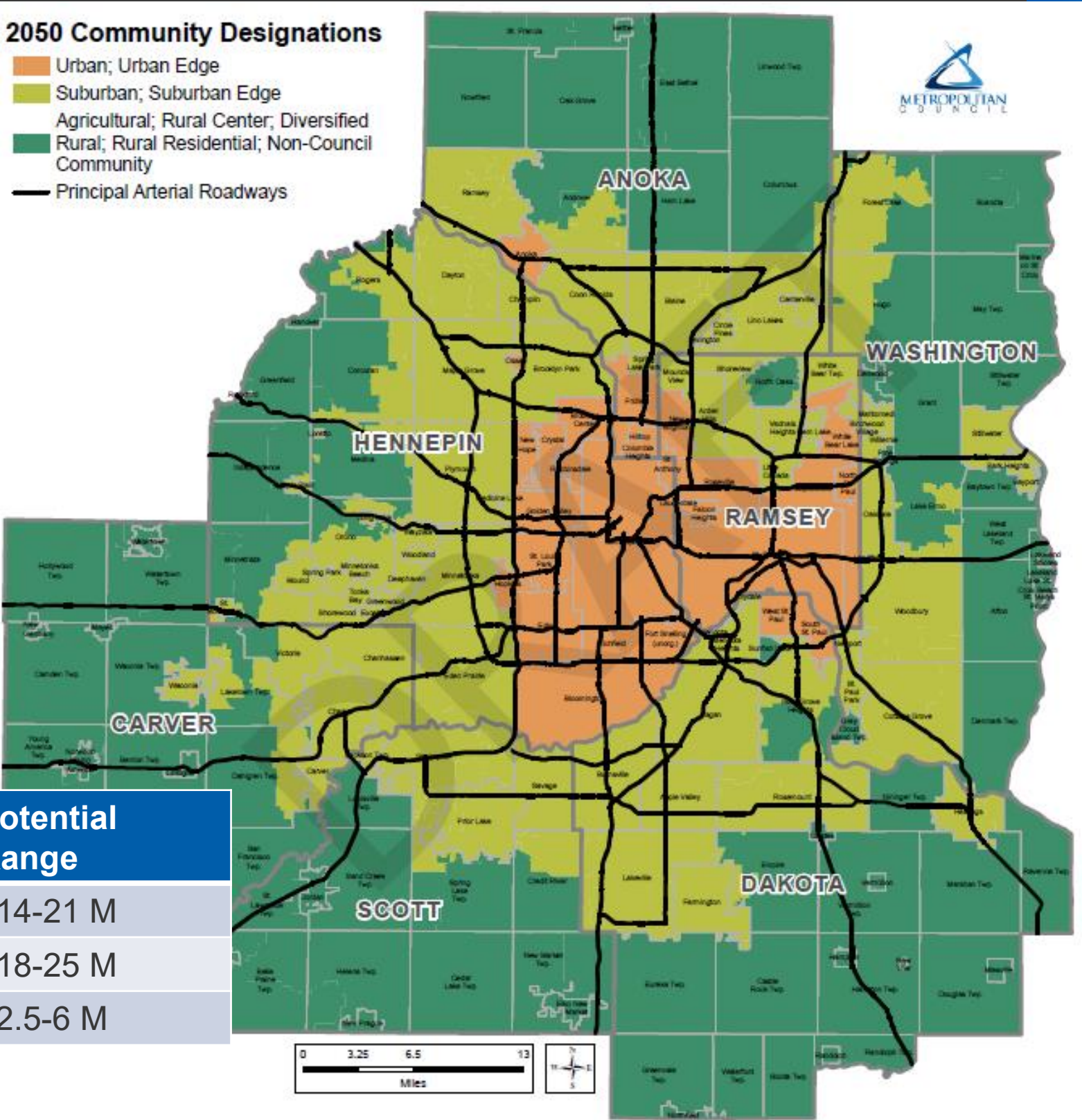
Options for Active Transportation Funding

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 |



Geographic Balance for AT (2)

Breakdown of geographic buckets from past solicitations (all categories)

| Community Designation Type | Solicitation Year | Project Applied | Project Funded | Funding Amount | Percent Projects | Percent Funding |
|----------------------------|-------------------|-----------------|----------------|--------------------------|------------------|-----------------|
| Rural | 2024* | 3 | 1 | \$ 1,000,000.00 | 3% | 1% |
| Suburban | 2024* | 29 | 10 | \$ 11,488,389.00 | 29% | 17% |
| Urban | 2024* | 33 | 23 | \$ 56,312,584.00 | 68% | 82% |
| Total | 2024* | 65 | 34 | \$ 68,800,973.00 | N/A | N/A |
| Rural | 2022 | 1 | 1 | \$ 5,500,000.00 | 6% | 8% |
| Suburban | 2022 | 31 | 5 | \$ 18,479,373.00 | 28% | 28% |
| Urban | 2022 | 20 | 12 | \$ 42,466,336.00 | 67% | 64% |
| Total | 2022 | 52 | 18 | \$ 66,445,709.00 | N/A | N/A |
| Rural | 2020 | 2 | 1 | \$ 256,800.00 | 4% | 1% |
| Suburban | 2020 | 31 | 11 | \$ 10,887,380.00 | 44% | 30% |
| Urban | 2020 | 19 | 13 | \$ 25,408,676.00 | 52% | 70% |
| Total | 2020 | 52 | 25 | \$ 36,552,856.00 | N/A | N/A |
| Rural | All Years | 6 | 3 | \$ 6,756,800.00 | 4% | 4% |
| Suburban | All Years | 91 | 26 | \$ 40,855,142.00 | 34% | 24% |
| Urban | All Years | 72 | 48 | \$ 124,187,596.00 | 62% | 72% |
| Total | All Years | 169 | 77 | \$ 171,799,538.00 | N/A | N/A |

*includes both federal and AT funded projects

Local match requirements for AT funded projects



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



Summary of 7/25 Discussion

- Discussion narrowed down considerations
- Agreement that there should be some match but to limit the match amount to ensure greater interest from smaller communities
- Little interest expressed in the same 20% local match required for federal grants
- Group wanted to see option 3B (including additional eligibility for projects) to be something that should be considered for all the match options.
 - Reorient the decision making to consider the match and eligibility separate to leave flexibility.
- Key to note that future maintenance (day-to-day and future routine maintenance) of funded facilities will be required for local governments per state law.

Local Match – Active Transportation ⁽³⁾



Options for Match Requirements

- **No change to federal rules: 20% match for construction only**
- **Potential changes to match 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:** 5% match for Active Transportation grants
 - **Option 3:** 10% match for Active Transportation grants
- **Potential changes to project development eligibility**
 - **Option 1:** No change from federal eligibility. Only construction elements eligible for grant funding
 - **Option 2:** Allow additional elements of projects to be eligible for funding (project development (design and engineering), ROW acquisition)

No Change: Same 20% 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 have led to some projects returning funds or needing multiple project extensions.

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: 5% Local Match Required



Pros

- Smallest required match amount would work best to encourage smaller communities to participate.
- Would ensure local communities still have a vested interest in project completion, without being overburdened on local match.

Cons

- Any match amount could limit some community participation.
- Small match likely would mean more AT funds dedicated to selected projects and may fund fewer total projects in a solicitation.

Option 3: 10% 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.
- Would allow flexibility for locals to apply grant funds to multiple aspects of a project.

Cons

- Any match amount could limit some community participation. Higher the match required the more this would be the case.
- Larger match will allow for more regional funding to spread to more projects, but not as much as federal match.
- Projects may apply at earlier time frames which could create longer lead times until projects are completed.

Project Development Eligibility Options

Option 1: No Change from Federal Eligibility

- Only construction related project elements are eligible to use grant funding.
 - Materials
 - Labor
 - Construction management

Option 2: Expand Eligibility for additional Project Development Elements

- Allow for additional aspects of project elements to be eligible for grant funding.
 - Project design (developing planning level designs for selected projects)
 - Project engineering (developing construction documents to implement final project design)
 - Right-of-Way acquisition (acquiring needed land to implement project)

Local Match – Planning



Match Requirements for Planning Grants

Recommended approach considerations

- **Planning Grants**
 - Small award amounts
 - Any match amount would be very small
 - Could be contracted centrally
 - would remove any direct award and need for a match
 - No match would preserve flexibility to make this decision at a later date
 - Significant staff participation needed for successful planning projects
 - in-kind match
- **Recommendation**
 - No local match requirements for planning grants

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



Minimum and Maximum Award



Summary of 7/25 Discussion

- Overall general support of the proposed minimum and maximum awards for each category.
- Members noted that projects on the regional networks may not always be more expensive and local projects may not always be smaller or less expensive projects.
- Members liked that there was some differentiation between the local and regional categories as there is large overlap between the two.
- Members agreed that an option of centrally contracting a consultant to work with local communities on planning efforts as this would bring the most benefit to the communities with the most needs and least resources should be explored further.

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

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?

Minimum and Maximum Award



Recommendation

To concur with the proposed maximum and minimum awards for infrastructure categories as presented and move a recommendation to the TAB for the Active Transportation funded project categories

| 2026 Proposed Category | Proposed 2026 Min | Proposed 2026 Max |
|---|-------------------|-------------------|
| Bike/Ped | | |
| Regional Bike Facilities | \$1,000,000 | \$5,500,000 |
| Local Bike Facilities (Local Funding) | \$150,000 | \$3,500,000 |
| Local Pedestrian Facilities (Local Funding) | \$150,000 | \$2,500,000 |

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.

Next steps



Next steps:

1. Technical details for solicitation (qualifying criteria, scoring measures, application details) sent out for review to technical partners
2. Next TAB AT Work Group meeting
 - September 29th 11:30AM-1:00PM
 - Will schedule time for October meeting if necessary
3. Future items to be discussed:
 - Discuss application details for solicitation from Special Interest Working Groups and technical partners
 - Recommendation on geographic balance considerations
 - Direction on Active Transportation Solicitation timing/relationship to overall federal Regional Solicitation
 - Including overall funds available for 2026 Solicitation