

# Minutes

## TAC Funding and Programming Committee



Meeting date: June 15, 2023

Time: 1:00 PM

Location: Virtual

### Members present:

- |   |  |   |
|---|--|---|
| <input checked="" type="checkbox"/> Bloomington – Karl Keel             | <input checked="" type="checkbox"/> TAB Coordinator – Elaine Koutsoukos            | <input checked="" type="checkbox"/> Anoka Co. – Jerry Auge      |
| <input checked="" type="checkbox"/> Lakeville – Paul Oehme (Vice Chair) | <input checked="" type="checkbox"/> MnDOT Metro District – Aaron Tag               | <input checked="" type="checkbox"/> Carver Co. – Angie Stenson  |
| <input checked="" type="checkbox"/> Eden Prairie – Robert Ellis         | <input checked="" type="checkbox"/> MnDOT Metro District State Aid – Colleen Brown | <input checked="" type="checkbox"/> Dakota Co. – John Sass      |
| <input checked="" type="checkbox"/> Fridley – Brandon Brodhag           | <input checked="" type="checkbox"/> MnDOT Bike/Ped – Mike Samuelson                | <input checked="" type="checkbox"/> Hennepin Co. – Jason Pieper |
| <input checked="" type="checkbox"/> Maple Grove – Ken Ashfeld           | <input type="checkbox"/> MPCA – Innocent Eyoh                                      | <input checked="" type="checkbox"/> Ramsey Co. – Scott Mareck   |
| <input checked="" type="checkbox"/> Minneapolis – Katie White           | <input type="checkbox"/> DNR – Nancy Spooner-Walsh                                 | <input checked="" type="checkbox"/> Scott Co. – Adam Jessen     |
| <input checked="" type="checkbox"/> Plymouth – Michael Thompson (Chair) | <input type="checkbox"/> Suburban Transit Assoc. – Vicky Loehr                     | <input checked="" type="checkbox"/> Wash Co. – Lyssa Leitner    |
| <input checked="" type="checkbox"/> St. Paul – Anne Weber               |  | <input checked="" type="checkbox"/> = present, E = excused      |
| <input checked="" type="checkbox"/> Met Council – Cole Hiniker          |  |   |
| <input checked="" type="checkbox"/> Metro Transit – Scott Janowiak      |  |   |

### Call to order

A quorum being present, Committee Chair Thompson called the regular meeting of the TAC Funding and Programming Committee to order at 1:00 p.m.

### Agenda approved

Chair Thompson noted that a roll call vote was not needed for approval of the agenda unless a committee member offered an amendment to the agenda. Committee members did not have any comments or changes to the agenda.

### Approval of minutes

It was moved by K. Ashfeld seconded by P. Oehme, to approve the minutes of the (date), 2023, regular meeting of the TAC Funding and Programming Committee. **Motion carried** unanimously.

### Public comment on committee business

There were no public comments.

### TAB report

There was no TAB report. The June meeting of the TAB is the following week.

## Business

There were no business items.

## Information

Inclusion of Active Transportation Funding into the 2024 Regional Solicitation and Discussion of approach. (Steve Peterson, MTS)

S. Peterson presented the details of the ¾ cent sales tax for the Active Transportation Sales and Use Tax approved by the Minnesota State Legislature directly allocated to TAB, amounting to approximately \$24 million. Collections will begin on October 1, 2023. Council staff would like to spend some of the funding in the 2024 Regional Solicitation cycle. He discussed the eligibility of the existing scoring categories including multiuse trails and bicycle facilities, pedestrian facilities, and safe routes to school facilities. The criteria and prioritization of projects should follow existing process, procedures, and requirements already established. He also discussed the changes to qualifying requirements, including whether the project is included in a system plan and policies and procedures to promote complete streets planning and design.

C. Hiniker asked whether “municipal” was defined in state law. S. Peterson was unsure; E. Koutsoukos suggested legislation typically includes definitions that Council can review.

S. Peterson asked whether new qualifying requirements are clear, if there are other rules or procedures that should be adjusted, how much of the sales tax revenue should be used in the 2024 Regional Solicitation cycle, what funding split should be used, and the approach to assigning the sales tax.

J. MacPherson supports 100% and asked whether similar federal requirements would be applied, including disadvantaged business and on-the-job training. Keeping it simple can support smaller communities in applying. S. Peterson discussed multiple ways this could work, including serving as the local match for federal projects. He added that many of the federal requirements would not apply here. E. Koutsoukos stated that there will likely be DBE requirements, even if not federalized because there are state and Council funds. J. MacPherson said that knowing it is a state funded program reduces the staff time when delivering projects. He would support a separate solicitation cycle.

Chair Thompson asked whether a separate solicitation was possible. S. Peterson said the focus is on smaller projects and will have to follow state procedures. Staff is hesitant to administer a separate solicitation due to time demands for scoring and administering the existing process, which is directed in the legislation. E. Koutsoukos discussed the complications that could arise with a separate solicitation, including having to prepare a separate application.

L. Leitner does not support adding the sales tax revenue to the 2024 Regional Solicitation cycle as proposed. She discussed the staff and budget constraints, including the challenges in delivering projects sooner. She also disagrees that the bill language directs the Council to use the existing solicitation process, because it does not include directives on additional prioritization criteria or weighting. She also discussed whether individual active transportation elements in a larger roadway project would meet the intent of the sales tax and should consider eligibility. She supports a simplified solicitation that runs parallel to the larger Regional Solicitation.

Chair Thompson asked whether legal or the Metropolitan Council has reviewed this approach. S. Peterson believes that the language directs the use of the Regional Solicitation cycle, but that the Council’s attorney has not made that determination.

L. Leitner discussed Washington County’s project identification process and expressed doubts that agencies can deliver projects early. E. Koutsoukos responded that the existing



application does ask agencies to indicate whether they can deliver projects early and many applicants can implement projects before the program years and that de-federalization will decrease the time needed for project development activities. S. Peterson added that last cycle there were many projects that did indicate preference for earlier years. L. Leitner disagreed that agencies have enough projects that can go early. E. Koutsoukos stated that the money will be available in 2028 and 2029 and will be available until the law is changed, so there will still be opportunities for agencies to pursue funding in those program years. S. Peterson suggested treating this cycle as a pilot program and allowing the Regional Solicitation Evaluation study to direct how future cycles allocate the sales tax revenues. Staff does not want to run a separate solicitation because of the existing 2024 Regional Solicitation timeline and does not want to hold the full funds until the 2026 Regional Solicitation. E. Koutsoukos added that there is more flexibility for projects to go and allow money to shift forward and backward to other program years. L. Leitner again urged a simpler application that runs parallel to the 2024 Regional Solicitation cycle as a compromise.

S. Mareck concurred that agencies need to know whether funds will be state or federal, due to the staff and financial resources required to deliver a federal project. He also supported a separate category of solicitation and did not support adding active transportation sales tax revenue to federalized projects. He also discussed the additional scoring criteria in the existing multiuse trails and bicycle facilities, pedestrian facilities, and safe routes to school facilities funding categories and whether that aligns with the intent of the sales tax and urged streamlining.

Chair Thompson asked whether staff had considered running an off-year solicitation. This could allow applicants to pursue state funding and then if unsuccessful, apply for federal funds. S. Peterson responded that it was not considered but the Regional Solicitation Evaluation could assess that option. E. Koutsoukos suggested that applicants would prioritize the active transportation funds instead of participating in the larger Regional Solicitation process. S. Mareck agreed, suggested funding 80% of projects and a separate solicitation.

J. Sass discussed Dakota County's the challenges with suburban and rural areas competing with urban areas for active transportation projects. He would support a separate solicitation. Chair Thompson discussed there is criteria for geographic balance in the bill language which might support a separate solicitation.

J. Pieper encouraged the region to calibrate the approach and if necessary, can go back to the state legislature for modifications. He also discussed how Hennepin County is increasing staffing for project delivery, which is constraining their staff for grant writing and long-range planning. He also suggested staff review the state's active transportation solicitation, which is simpler. S. Peterson responded that staff has met with State Aid regarding their active transportation solicitation.

Kyle Sabota, TAC member from City of Shakopee, supports a separate process so agencies can appropriately plan staffing. He requested municipal or regional be removed from the qualifying requirement (stating a project must be in a municipal or regional non-motorized system plan) for clarity. He supported a 90/10 split.

C. Hiniker discussed the different active transportation funds established by the state legislature, including those outside the TAB and Regional Solicitation process, and asked whether the funds should be coordinated and whether capacity and resources are restricted with the new money.

A. Stenson also supported a separate process to keep state and federal funds separate and opening opportunities to small cities as well as simplifying to only consider the areas defined in the bill. She believes the geographic balance and equity matches the established process, but that urban areas receive more in active transportation because of the usage categories and scoring measures. S. Peterson agreed that the state money is attractive to smaller communities because there are not the federal requirements.





L. Leitner pointed out that the bill language does not discuss density and that is in direct conflict with the usage scoring measure and discussed specific Washington County projects that do not score well in current scoring measures. She believes the proposed process is the easiest path forward, but it does not meet the needs of the region, specifically small cities.

E. Koutsoukos referenced MnDOT's active transportation solicitation language, including scoring applications within similar sized communities and they fund up to 100% and can be used as a federal funds local match.

S. Mareck acknowledged the Council staff resource constraint is easier for administration but may not be the best path forward. He asked about the funds administration. S. Peterson responded that fund administration is currently being discussed with the State and that it will be a focus in upcoming months but could come through Minnesota State Aid office or the Council.

S. Janowiak requested clarification whether the municipal or regional plans listed were limited to the ones listed or suggested types of plans and if the funding could be used for capital and operating funds for mobility hubs, as an example. S. Peterson believes the funds could be used for operating funds. C. Hiniker reminded the committees that this is intended to be an interim approach. He also discussed considering how agencies benefitted differently under new state funding and that consideration could be given for small city set asides or other approaches, that will be reviewed during the Regional Solicitation Evaluation. He did not support holding the money until the 2026 cycle, due to the public perception of funding needs. S. Peterson discussed the need to spend the money and that staff is less comfortable with holding it until 2026. He noted that in the 2022 cycle, an unprecedented amount of funding was allocated to active transportation and that still only funded 18 of the 49 multiuse trails and bicycle facilities projects that were submitted – he believes adding the active transportation funds to the larger regional solicitation will help more agencies get funding for their projects and that separate solicitations could be more challenging to apply for and administer. M. Thompson summarized the discussion as supportive of a simplified or separate program for the active transportation and acknowledged this cycle should be considered a pilot program to spend down the earlier money. He asked S. Peterson whether it was possible to do a separate application within the 2024 solicitation. S. Peterson said it was not possible with the timeline.

L. Leitner does not want the money to be held and asked if this is pilot, why it could not be simplified and then evaluate whether it attracted additional applicants. She also asked if it was a possibility to release it later, but still concurrently with the 2024 cycle. S. Peterson responded that it would delay the solicitation opening. M. Thompson referenced the state active transportation solicitation and asked whether the application would satisfy the bill language. S. Peterson read a comment from Mike Samuelson about adding a checkbox for whether the project should be considered for the active transportation funds that would simplify administration. E. Koutsoukos suggested adding a second budget cost sheet if projects only want to be considered for active transportation sales tax but could complicate scoring. L. Leitner responded that it does not fully address the issues she and others have brought up.

J. MacPherson agreed that the state's active transportation solicitation application seems like a good first step and to pull it out of the solicitation process because it is so expensive. E. Koutsoukos said much of the time needed for a new application is building it in WebGrants so if the application was kept out of that software it could be built quickly.

K. White supported a simplified solicitation and use it as a pilot. She also suggested raising the project award minimums, specifically the safe routes to school projects.

S. Peterson summarized the discussion as a separate application and a pilot program. He added that a separate solicitation will require additional time from volunteer scorers. C. Hiniker discussed the creation of the new Unique Projects category application which took

four months meeting every other week to create. Critiques of the application are that it is qualitative and lacks rigor and that it was not reviewed enough by local partners. He has concerns about putting together a separate application and scoring guidance because it would not receive adequate public and small city review and feedback to keep it on a similar timeline.

S. Mareck also does not want to hold the money but does not want to rush the process. He does not believe it needs to run parallel to the solicitation. He summarized his support for a simplified application, not to comingle state and federal funds, and make it easier for smaller cities to apply. He suggested an off-year solicitation that uses the MnDOT active transportation solicitation application to better review and provide staff adequate time to prepare and administer the process.

Chair Thompson again summarized the discussion: desire for a separate process outside the regional solicitation that could use the existing scoring with some tweaks and replicate the state's active transportation solicitation. S. Peterson reminded members that the bill language does require the process to align with the procedures and requirements of the solicitation. The feedback here is different from that bill language, but there are some opportunities to incorporate into the 2024 cycle. He has concerns about rushing a process through. He committed staff to review timing, review the state's application to the bill criteria, and make recommendations to TAC. Chair Thompson agreed that a pilot process is good, and staff will need to decide on what is possible. He also supported a focused application separate from the federal solicitation process. He asked Council staff to review the feedback and provide some feasible options for the 2024 cycle and then review the long-term process recommendations later with a public engagement process.

S. Peterson thanked the members for their feedback. He did request members think about what the funding split should be (80/20, 90/10, 100%). E. Koutsoukos added that the state solicitation allows applicants to use the state funds to serve as their federal local match and that recommendations will need to be made on whether that is appropriate for the funds and whether a total funding cap would be applied.

## Reports

C. Hiniker gave a Transportation Policy Plan update with a summary of the upcoming work at the TPP Technical Working Group, including next month's work on the draft goals and objectives, forming policy working groups, and discussing conceptual chapter information. He encouraged members to coordinate with any staff on the committees.

## Adjournment

Business completed; the meeting adjourned at 2:50 p.m.

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