

Area Transportation Partnership 7 (ATP 7)

Draft Minutes of June 12, 2020 Meeting – MnDOT, Mankato (via Skype)

Members Present: Jack Kolars, Don Wachal, Troy Nemmers, Ronda Allis, Lisa Bigham, Greg Ous, Ryan Thilges, Nick Klisch, Peter Harff, Michael McCarty (alternate for Jeff Johnson), Mike Kuhle, Patrick La Course, Shawn Schloesser (alternate for Robert Goblirsch), Rosemary Bruce-White (alternate for Matt Widboom)

Members Absent: Seth Greenwood, Craig Rempp, Robert Goblirsch, Matt Widboom

Others Present: Sam Parker, Angie Piltaver, Angelica Tejada, Debra Yates, Matthew Henderson, Charles Androsky, Melinda Estey, Kyle Hoffman, Joseph Stadheim (New Ulm), Jeremy Monahan, Josh Knatterud-Hubinger; Scott Roehmhildt

Legislative attendees: Representative Paul Torkelson, Chuck Ackman (for Senator Amy Klobuchar)

Welcome, Introductions and Opening Business

- Jack Kolars started the meeting by welcoming everyone.
- Greg Ous indicated that Chair Steve Koehler retired, thanked him for his lengthy service to ATP-7. Jack Kolars (Vice Chair) will be the new Chair.
- Members were encouraged to inquire about the available Vice Chair position if interested.
- Troy Nemmers, City Engineer for Fairmont, was introduced as a new ATP-7 member.
- Greg reviewed Skype basics and virtual meeting format. He also thanked Jack Kolars for taking over for Steve Koehler.
- The minutes from the March meeting were approved by membership.

MnDOT 2020 Projects Update

Peter Harff presented the 2020 program and noted current progress.

- Highway 5 project from Green Isle to 212 just let – starts in August.
- Highway 19 through New Prague in first year of two-year project - led by city.
- Highway 99 on east side of Le Center adding left turn lanes, led by county. Potential reconstruct is planned in 2029.
- Highway 13 in Waseca, safety money for new pedestrian crossing near school and intersection lighting.
- Highway 30 between new Richland and TH83 resurfacing and drainage.
- I-90 between Fairmont and Blue Earth – two-year major resurfacing effort.
- Two rest area replacements on I-90, in year one of two-year project.
- Highway 91 in year two of finishing resurfacing to edge of our district.
- Highway 71 from Jackson to Highway 30, two different but related resurfacing projects.
- Highway 30 from west edge of district to Highway 71 getting an overlay.

- City of Springfield is leading a project through town.
- In New Ulm, finishing landscaping for Gateway to New Ulm project.
- Highway 68 getting a major slope repair from earlier failure.
- Highway 111 and 22 between Nicollet and Gaylord, stabilized bituminous reclamation - long term fix
- Other standard maintenance repairs

Jack Kolars asked about funding for 2020. Peter Harff explained that funding for 2020 projects is already secured.

MnDOT State Transportation Improvement Program (STIP) Update

Deb Yates provided the STIP amendments for 2020-2023. She stated there were not many changes to report. In 2021, a districtwide bike/pedestrian improvement project was added by reducing setaside funding. A couple projects also moved dates slightly. There were some funding, cost, and scope changes on other projects but they were all minor adjustments. Deb provided a detailed breakdown of changes to the STIP in the packet that can be referenced if specific information is needed.

MnDOT Capital Highway Investment Plan (CHIP) Update

Ronda Allis reviewed the 2025-2030 CHIP, summarizing the difference between the STIP and the CHIP, and indicated that the CHIP is much more likely to change than the STIP. She noted the draft CHIP is due in mid-May and the final CHIP draft will be transmitted in August, so there is time to get input from partners. She updated the group on the changes to the 2025-2030 CHIP by year.

- 2025 updates:
 - I-90 from Adrian to Rushmore west bound lanes -- updated to only thick mill/overlay and reduced scope to bring in more projects
 - I-90 from Blue Earth to Wells moved up to 2025 due to concerns with rate of deterioration -- the movement of this \$24M project caused many ripple effects
 - Highway 60 dip correction and shoulder paving moved from 2023 to 2025 to accommodate over-programming in current STIP. Project could move further if mainline fix is needed.
 - Veterans Bridge that connects Mankato and North Mankato is due for rehab and added in 2025. The bridge is partly owned by Mankato, which will share in costs.
 - Highway 19 from Gaylord to 169 moved out to 2025 – increased cost from \$10.5M to \$13M due to refined scoping.
 - Highway 22 from St. Peter to Highway 111 moved from 2024 to 2025 ELLA – work to occur in 2024, but funded with 2025 money.
 - Highway 75 in Luverne updated pavement preservation to urban reconstruct and increased budget.
- 2026 updates:
 - Highway 14 major concrete rehab from Victory Drive to Eagle Lake – various sections of TH14 throughout district were prioritized by materials engineer.

- Highway 22 from I-90 to Wells moved from 2025 to a 2026 ELLA with cost reduction by not upgrading to 10-ton since it already has 10-ton capacity; researching bicycle facilities shoulder.
- Highway 22 in Wells, urban project was a 2025 and moved to 2026. If it becomes an urban reconstruct, the cost will get split over two fiscal years due to increase
- 2027 updates:
 - Highway 75 from Luverne to Trosky moved from 2025 to 2027 with slight cost increase due to inflation.
 - Highway 30 from Highway 15 to Amboy moved from 2026 to 2030 to try and extend the pavement life a little longer.
 - Highway 59 from Worthington to Fulda in 2027 moved out to 2029 but still developing as a FLEX 2023 project.
 - Highway 169 major project from Riverfront Drive to Lake Street in Mankato includes major bridge work on large bridges – cost changed from \$14.2 million to \$37 million; working with MAPO.
 - Highway 22 from Iowa to I-90 increased cost to \$8.4M by including snow fence, shoulder paving, bridge work, and lighting.
 - Highway 99 in Le Center was a 2027 project but city asked to move it out to 2029 to financially prepare
- 2028 updates:
 - Highway 13 from Waterville to Montgomery shuffled funding
 - I-90 from Beaver Creek to west end of district added as new project
 - Highway 19 from Winthrop to Gaylord added as a new project
- 2029:
 - Highway 60 from I-90 to Heron Lake EB & WB lanes vary in fix
 - Highway 60 near Lake Crystal to Cray Corner – project length reduced to save cost and moved out to 2030.
 - Highway 68 from New Ulm to Mankato will be funded over two years due to increased cost
 - Highway 257 is a likely turnback candidate
- New projects in 2030:
 - I-90 EB from Beaver Creek to Rock River and WB lanes from Highway 4 to Highway 86
 - 169 from Highway 93 up to Cambria
 - Highway 13 from Montgomery to New Prague
 - Highway 22 in Mankato south of Highway 14 to Basset Drive
 - Highway 264 from I-90 to Round Lake is a turnback candidate
 - Highway 270 is a turnback candidate

Ronda mentioned that more changes will be necessary because we are over-programmed in 2025. She requested feedback on the CHIP projects and encouraged anyone to contact her with suggestions.

Transportation Funds Interim Budget Projection Update

Josh Knatterud-Hubinger presented on how COVID-19 will likely impact the available budget for transportation projects in Minnesota. He prefaced the discussion by acknowledging there is significant uncertainty around the current models. He is currently projecting \$400 million less (8% reduction) in the budget for 2020-2021. This is based on assumptions that gas tax, registration, and vehicle sales tax revenue will drop and not rebound until late in 2021. Josh stated travel is slowly rebounding after the Governor's "Stay at Home Order" expired but it is still about 20% less than usual across the state. Josh's model assumed a steep drop in vehicles sold but fortunately, sales are starting to rebound. Vehicle registration is a more stable source of income, but 20% of registration revenue comes from new vehicle sales, which are down. The reduced travel, vehicle sales, and registration has matched the projections well so far.

Josh reminded the group that the projections assume very negative impacts but there is some slight optimism since we are trending slightly better than initially thought. However, there is the risk that another round of COVID-19 could cause a serious setback.

Josh stated that the Trunk Highway system receives roughly 60% of the total road funding. That results in a \$9 million deficit for the state network, which could grow into 2022 and 2023. He advised the group to prepare to navigate a deficit. Upon being asked about a gas tax increase, Josh explained every penny in gas tax equates to \$30 million, of which 60% would go to the state and 40% would go to counties and cities.

Josh informed the group that cities and counties will receive about 15% less money in 2021 than they did in 2020 since their share is distributed on a forecast. The Trunk Highway fund will see the previously mentioned \$9 million deficit assuming no changes in spending. The fiscal year 2020 program is not impacted but Josh warned to expect impacts in 2021 to try and get back to as close to normal as possible by 2022 and beyond.

Transit and airports have the same magnitude of issues but Josh explained they have received federal funds. An 11% reduction in state revenue for airports is projected but significant federal funding will be distributed (most of it to MSP) to help airlines. Transit has also gotten federal funding for metro and outstate operations. Highways have not been granted any money to backfill revenue losses. Federal revenues from gas tax is down 80% so the USDOT is already over-committed. The state legislature is back in session and there is support in both chambers of congress for Trunk Highway bonding. However, even if an agreement is reached, the money could get earmarked for specific projects. Fortunately, Josh noted Minnesota is getting hit less than other states since we have a more stable mix of revenue sources.

Josh concluded his presentation by noting all the information provided can be found on the external website. While there will likely be a deficit, it is relatively small since we had financial reserves. He reiterated to expect belt-tightening while we prepare for the worst and hope for the best.

MnDOT Legislative Update

Greg Ous thanked the elected officials that could attend before summarizing the latest news. The 4-lane expansion on US-14 from New Ulm to Nicollet is pursuing many options to fill the current gap in funding. Greg detailed that no money was received from round one of the BUILD Grant application, but MnDOT is applying for a second round. He is also expecting a decision on the INFRA grant application soon. The state passed legislation enabling MnDOT to apply for a federal loan through the TIFIA program for Highway 14. This bond-backed program allows MnDOT to take advantage of low interest rates. Greg mentioned this program is typically used only for transit, so he is looking for confirmation that it can be used for this project next spring. At this point, Greg explained the project is moving forward anticipating that the funding will be there.

Peter Harff added that we will know by this summer about the possibility of using the TIFIA loan, but it is a promising option since the state has a good financial record. If none of the grants are awarded, the plan is to utilize the TIFIA loan.

Josh Knatterud-Hubinger informed the group that there are already state funds set aside to repay the loan, and the interest rate would be 0.78% since the project is less than \$100 million.

Greg Ous indicated that despite the challenges caused by COVID-19, MnDOT staff is working on the plans and right-of-way acquisition for the project. He is cautiously optimistic that a letting will be possible in the Fall of 2021, and he is very appreciative of the team.

Transportation Economic Development (TED) Solicitation Update

Lisa Bigham notified the group there is leftover money from last year's TED solicitation so there is a special round being opened to use the remaining \$1.85 million. The application will open soon and an expression of interest will be due August 7th. Applicants are encouraged to think about COVID-19 impacts. The money is only for cities and counties and must be used for a Trunk Highway project. Engineering and right-of-way expenses are eligible and MnDOT can deliver the project. To be considered, construction must start by 2022. Any project application must meet the same cost match requirements. Upon being asked by Rosemary Bruce-White, Lisa clarified that the minimum match is still 70%, and higher cost matches are more likely to be selected. Lisa stated more information will be available at the June 24th informational webinar.

Lisa ended her update by notifying the group that the Kern Bridge solicitation will open June 26th. Federal funds will be available to pay 80% of the cost. Applicants must be able to deliver a federal project. The bridge has been disassembled and is currently being stored.

Transportation Update from Legislators

All of the legislators who were in attendance had to leave.

Transit Update

Pat LaCourse from Brown County Heartland Express provided an update. They will no longer need funding from state and local dollar matching since they received enough federal money to cover their expenses through the end of 2021.

MAPO Transportation Update

Charles Androsky delivered the update that MAPO is releasing their 2021-2024 TIP for public comment. Comment period from June 16th to July 17th. They are still moving forward with the Long Range Transportation Plan with their partners. Intersection control evaluations and corridor studies are still being considered. They are also progressing on the Regional Transportation Coordinating Council.

Regional Development Commission (RDC) Transportation Update

Shawn Schloesser from Region 9 stated they are working through grants and changes in the Safe Routes to School program. They have removed “Enforcement” and replaced it with “Engagement” in the program and are incorporating this into the Mankato SRTS Plan update.

Rosemary Bruce-White shared that SRDC is also working with their “Safe Routes to School” planning. Plans for the cities of Tyler and Jackson will begin soon. They are also working on an economic resiliency plan for the region. Part of this project will include taking inventory of their vulnerable transportation networks.

Adjournment

Jack Kolars reiterated to contact Greg Ous if interested in the available Vice Chair position. He also asked that members please re-affirm their membership with MnDOT.

Next meeting

The next meeting is scheduled for September 11, 2020.