

# Transportation Economic Development Program 2019 Solicitation Project Scoring and Selection Process

This document describes the process the Minnesota Department of Transportation will use to evaluate and select construction projects for the Transportation Economic Development Program (TED) in partnership with the Minnesota Department of Employment and Economic Development (DEED). This document applies to the 2019 solicitation for projects to be constructed in calendar years 2020 through 2022.

The TED program provides competitive funding awards to construction projects on state highways that provide measurable economic benefits. The TED program was authorized by the Minnesota State Legislature in [state statute 174.12](#).

DEED administers a parallel Transportation Economic Development Infrastructure (TEDI) program that funds projects on local roads and for other types of transportation. This document only describes the process for selecting TED funding and does not address the TEDI selection process.

## Overview of the Selection Process

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The process to select TED projects in 2019 consists of the following 5 step process:

### Step 1: Initial Review

Applications are first reviewed by TED program staff for completeness and eligibility.

Eligible applications are then sent to district staff, DEED, and staff in the offices of Transportation System Management, Traffic Engineering, and Project Management & Technical Support for review and comment. Metropolitan Planning Organizations and/or Regional Development Organizations may also be asked for feedback in some instances.

### Step 2: Preliminary Scoring

Based on the information provided in the application and the initial review, TED program staff analyze the applications and assign a preliminary score using the criteria described later in this document.

### Step 3: Selection Committee Review and Initial Recommendation

The preliminary scores are reviewed by a selection committee, who may adjust or modify the scores as indicated later in this document based on their professional judgement and insights. The committee makes an initial funding recommendation.

The TED selection committee includes:

- DEED staff
- MnDOT Operations Division staff
- Representatives from the following MnDOT offices:
  - Financial Management
  - Project Management & Technical Support
  - Transportation System Management

#### **Step 4: TPIC Review**

The selection committee funding recommendations are presented to MnDOT's Transportation Program Investment Committee (TPIC). TPIC then makes a recommendation to the MnDOT Commissioner.

#### **Step 5: MnDOT and DEED Commissioner Approval**

Both MnDOT and DEED commissioners review and approve the final selection decisions. After which, applicants are notified of the decisions and final scores are posted.

### **Greater Minnesota and Metro Split**

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Applications from the Minneapolis-St. Paul metropolitan region are scored and prioritized separately from projects in Greater Minnesota. The criteria and scoring process is similar for each, but the methods and weights vary for some criteria. Scores are not directly comparable between Greater Minnesota projects and Metro area projects even though both use a 100 point scale.

For the purposes of the TED program, the Minneapolis-St. Paul metropolitan region is the seven counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington. All other counties are considered to be in Greater Minnesota for purposes of this application process.

There is no pre-determined split in funding between Greater Minnesota and the metropolitan region. The selection committee and TPIC consider the history of TED funding allocation distribution and the strength of applications submitted in this solicitation when determining final awards.

# Greater Minnesota Scoring Criteria

TED applications from Greater Minnesota will be scored using the following criteria.

Criteria	Points Available
Economic Benefits	45
Transportation Benefits	35
Project Risk Assessment	20

Additional points may be awarded for project applications that include contributions from non-public sources or that advance the geographic distribution objectives in Minnesota State Statute 174.12. However, the total score may not exceed 100 points.

## Economic Benefits

For Greater Minnesota applications, a total of 45 points are available for economic benefits based on the following factors.

Criteria	Points Available	Basis
Job creation/retention per \$1 million of project cost	20	Based on the difference between the 5 year job estimate <u>with</u> the project and the 5 year job estimate <u>without</u> the project divided by the cost of the project in millions
Income creation/retention	20	Based on the difference between the 5 year estimate of wage income <u>with</u> the project and the 5 year estimate wage income <u>without</u> the project
Impact to targeted labor/industry	5	Based on whether the jobs created/retained are likely to benefit <sup>1</sup> a low-income community, tribal community, community of color, or people with disabilities, and/or if the jobs are in a key regional industry cluster <sup>2</sup> (see table below)

<sup>1</sup> There has to be a reasonable logic as to how the jobs would benefit those communities – pure proximity is insufficient unless the types of jobs created are matched to the skills/abilities of that community or there are established/planned job training programs to connect nearby residents to these new jobs.

<sup>2</sup> Based on 2015 University of Minnesota Industry Cluster study & MnDOT Manufacturers Perspectives Studies

## Key Regional Industry Clusters

MnDOT District	Industry Clusters
1	Mining, Hospitality & Tourism, Forest Products
2	Recreational Vehicles, Forest Products
3	Hospitality & Tourism, Granite & Crushed Stone, Forest Products, Processed Food
4	Production Technology, Processed Food, Heavy Machinery
6	Glass, Health Services, Footwear
7	Heavy Machinery, Processed Food, Publishing & Printing
8	Processed Food, Heavy Machinery, Production Technology

## Selection Committee Adjustments

The selection committee may adjust scores for overly speculative claims or overly conservative estimates.

## Transportation Benefits

For Greater Minnesota applications, a total of 35 points are available for transportation benefits.

MnDOT recognizes the resources necessary to apply for competitive funding sources can be significant, particularly for small projects. To encourage applications for small projects, applicants for projects valued at less than \$1 million (total project cost) did not have to submit traffic and safety analysis. While small and large projects in Greater Minnesota will directly compete against each other, the scoring methodology for assigning the 35 points for transportation benefits will vary as described below.

### Transportation Scoring Criteria – Projects Valued at \$1 million or More

Criteria	Points Available	Basis
<b>Benefit-cost ratio</b>	15	Transportation benefit-cost analysis based on information supplied by the applicant as well as MnDOT staff analysis following MnDOT's standard procedure. <sup>3</sup>
<b>Plan consistency and need</b>	20	Based on the need for the project, plan consistency and improvements for freight and multimodal transportation (see factors below)

<sup>3</sup> <https://www.dot.state.mn.us/planning/program/benefitcost.html>

Factors considered in assigning points for “plan consistency and need”:

- Addresses a sustained crash location and/or a safety issue identified in a district or county safety plan
- Prioritized in the Greater Minnesota Mobility Study<sup>4</sup>
- Project is on the National Highway System
- Project is on a Scenic Byway
- Addresses a pavement or bridge condition need (conversely, points may be lowered for projects that proposed work on assets with significant remaining service life)
- Heavy commercial truck volume as a share of total traffic
- Improves access to a port, airport or intermodal facility
- Removes a geometric barrier or avoids future load restrictions on an Oversize/Overweight route
- Addresses a flood risk
- Includes improvements for pedestrians, bicyclists and/or transit

Projects do not need to address all of the factors listed to receive full points.

### Transportation Scoring Criteria – Projects Valued at Less than \$1 million

For small projects, all 35 points will be assigned based on the factors described above for “plan consistency and need” as well as average annual daily traffic and heavy commercial average annual daily traffic.

## Project Risk Assessment

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For Greater Minnesota projects, up to 20 points are available based on potential risks to the deliverability of the project within the timeframe of the program.

Risk Category	Points Available	Basis
<b>Environmental Documentation</b>	2	Based on the status of the environmental document
<b>Right of Way</b>	5	Based on whether right of way acquisition is needed and the status of the acquisition
<b>Railroad Involvement</b>	3	Based on whether the project requires a railroad right of way agreement and the status of that negotiation
<b>Funding</b>	10	Based on the level and status of funding for the project

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<sup>4</sup> <https://www.dot.state.mn.us/planning/program/mobility/index.html>

## Bonus Points

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Provided a project's total score does not exceed 100 points, Greater Minnesota applications may receive additional points for the following.

### **Non-Public Funding or In-Kind Assistance**

Based on Minnesota Statutes 174.12 Subd. 5 (3), the selection committee may award up to 5 bonus points if any of the project costs are covered by private contributions or right of way donations.

### **Geographic Distribution**

Based on Minnesota Statutes 174.12 Subd. 5 (6), up to 5 bonus points will be assigned to project based on the following methodology:

- Location (municipality) has not received funding in the last 2 rounds of TED - 1 point
  - Location (municipality) has never received funding from TED – 1 additional point
- Region (based on Regional Development Organization boundaries) has not received funding in the last round of TED – 1 point
  - ... in the last 2 rounds – 1 additional point
  - ... in the last 3 rounds – 1 additional point

# Metro Scoring Criteria

TED applications from the Minneapolis-St. Paul metropolitan area (7 county) will be scored using the following criteria.

Criteria	Points Available
Economic Benefits	40
Transportation Benefits	40
Project Risk Assessment	20

Additional points may be awarded for project applications that include contributions from non-public sources or that advance the geographic distribution objectives in Minnesota State Statute 174.12. However, the total score may not exceed 100 points.

## Economic Benefits

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For Metro applications, a total of 40 points are available for economic benefits based on the following factors.

Criteria	Points Available	Basis
Job creation/retention per \$1 million of project cost	20	Based on the difference between the 5 year job estimate <u>with</u> the project and the 5 year job estimate <u>without</u> the project divided by the cost of the project in millions
Income creation/retention	20	Based on the difference between the 5 year estimate of wage income <u>with</u> the project and the 5 year estimate wage income <u>without</u> the project

## Impact to Targeted Labor/Industry

Provided the total economic benefit score does not exceed 40 points, the selection committee may assign up to 5 points if the jobs created/retained are likely to benefit<sup>5</sup> a low-income community, tribal community, community of color or people with disabilities and/or if the jobs are in a key regional industry cluster<sup>6</sup>: headquarters/business services, health & life sciences, food & water solutions, advanced manufacturing & technology, and financial services.

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<sup>5</sup> There has to be a reasonable logic as to how the jobs would benefit those communities – pure proximity is insufficient unless the types of jobs created are matched to the skills/abilities of that community or there are established/planned job training programs to connect nearby residents to these new jobs.

<sup>6</sup> Based on [Greater MSP](#) identified industry clusters

## Selection Committee Adjustments

The selection committee may adjust scores for overly speculative claims or overly conservative estimates.

## Transportation Benefits

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For Metro applications, a total of 40 points are available for transportation benefits based on the following factors.

Criteria	Points Available	Basis
<b>Benefit-cost ratio</b>	20	Transportation benefit-cost analysis based on information supplied by the applicant as well as MnDOT staff analysis following MnDOT's standard procedure. <sup>7</sup>
<b>Plan consistency and need</b>	20	Based on the need for the project, plan consistency and improvements for freight and multimodal transportation (see factors below)

Factors considered in assigning points for “plan consistency and need”:

- Addresses a sustained crash location and/or a safety issue identified in a district or county safety plan
- Interchange/grade separation or at-grade intersection improvements consistent with the Metro Principal Arterial Intersection Conversion Study<sup>8</sup>
- Project is on the National Highway System
- Project in on a metro tier 1 or tier 2 truck route<sup>9</sup>
- Project is on a Scenic Byway
- Improves access to a port, airport or intermodal facility
- Includes improvements for pedestrians, bicyclists and/or transit
- Removes a geometric barrier or avoids future load restrictions on an Oversize/Overweight route
- Addresses a flood risk
- Addresses a pavement or bridge condition need (conversely, points may be lowered for projects that proposed work on assets with significant remaining service life)

Projects do not need to address all of the factors listed to receive full points.

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<sup>7</sup> <https://www.dot.state.mn.us/planning/program/benefitcost.html>

<sup>8</sup> <https://metro council.org/Transportation/Planning-2/Transit-Plans,-Studies-Reports/Highways-Roads/Principal-Arterial-Intersection-Conversion-Study.aspx>

<sup>9</sup> <https://metro council.org/Transportation/Planning-2/Transit-Plans,-Studies-Reports/Highways-Roads/Truck-Freight-Corridor-Study.aspx?source=child>

## Project Risk Assessment

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For Metro projects, up to 20 points are available based on potential risks to the deliverability of the project within the timeframe of the program.

Risk Category	Points Available	Basis
<b>Environmental Documentation</b>	2	Based on the status of the environmental document
<b>Right of Way</b>	5	Based on whether right of way acquisition is needed and the status of the acquisition
<b>Railroad Involvement</b>	3	Based on whether the project requires a railroad right of way agreement and the status of that negotiation
<b>Funding</b>	10	Based on the level and status of funding for the project

## Bonus Points

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Provided a project's total score does not exceed 100 points, metro applications may receive additional points for the following.

### Non-Public Funding or In-Kind Assistance

Based on Minnesota Statutes 174.12 Subd. 5 (3), the selection committee may award up to 5 bonus points if any of the project costs are covered by private contributions or right of way donations.

### Geographic Distribution

Based on Minnesota Statutes 174.12 Subd. 5 (6), up to 5 bonus points will be assigned to project based on the following methodology:

- Location (municipality) has not received funding in the last 2 rounds of TED - 1 point
  - Location (municipality) has never received funding from TED – 1 additional point
- County has not received funding in the last round of TED – 1 point
  - ... in the last 2 rounds – 1 additional point
  - ... in the last 3 rounds – 1 additional point

Note these points are based on the geographic location of the project, not the applicant.