

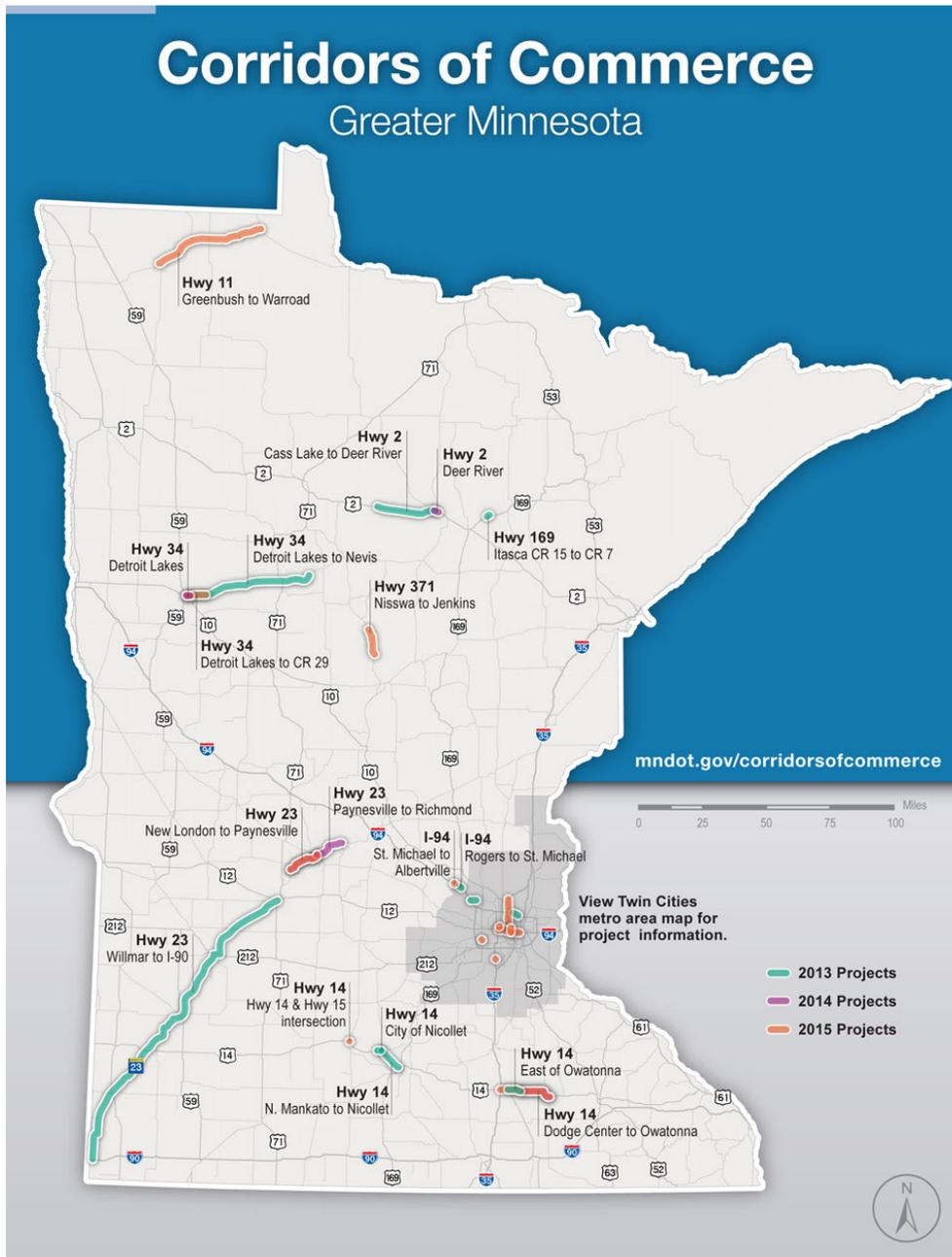


2014 Report on the

Corridors of Commerce Program

Projects for 2013

October 2014



Prepared by

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Contents

| | |
|---|----|
| Contents | 3 |
| Legislative Request..... | 4 |
| 2013 Corridors of Commerce Program Summary..... | 5 |
| District 1: Highway 169 – Four-Lane Expansion from Itasca CR 15 to CR 7..... | 8 |
| District 2: Highway 2 – Passing Lanes between Cass Lake and Deer River..... | 9 |
| District 3: Interstate 94 – Auxiliary Lanes from Highway101 to Highway 241..... | 10 |
| District 4: Highway 34 – Passing Lanes from Detroit Lakes to Nevis..... | 11 |
| District 6: Highway 14 – Four-Lane Expansion from Highway 218 to County Road 80/DM&E Railroad..... | 12 |
| District 7: Highway 14 –Four-Lane Expressway to North Mankato & the Nicollet Bypass | 13 |
| District 8: Highway 23 – Passing Lanes between Willmar and Interstate 90..... | 14 |
| Metro District –Highway 610 - Complete Freeway from Interstate 94 to County Road 81 | 15 |
| Metro District: Interstate 694 Dynamic Shoulder Lane from Rice Avenue to Lexington Avenue..... | 16 |
| 2014 Corridors of Commerce Program Summary..... | 17 |
| 2015 Corridors of Commerce Program Summary..... | 18 |

Legislative Request

This report is issued to comply with Minnesota Statutes 2013, section 161.088, subdivision 7. The language of the provision reads as follows:

(a) Starting in 2014, annually by November 1, the commissioner shall electronically submit a report on the corridors of commerce program to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) a summary of the program, including a review of the project selection process, eligibility and criteria, funds expended in the previous selection cycle, and total funds expended since program inception;

(2) a listing of projects funded under the program in the previous selection cycle, including:

(i) project classification;

(ii) a breakdown of project costs and funding sources;

(iii) any future operating costs assigned under subdivision 6; and

(iv) a brief description that is comprehensible to a lay audience;

(3) a listing of candidate project recommendations required under subdivision 5, paragraph (b), including project classification and disposition in the selection process; and

(4) any recommendations for changes to statutory requirements of the program.

(b) Starting in 2016, and in every even-numbered year thereafter, the commissioner shall incorporate into the report the results of an independent evaluation of impacts and effectiveness of the program. The evaluation must be performed by agency staff or a consultant. The individual or individuals performing the evaluation must have experience in program evaluation, but must not be regularly involved in the program's implementation.

The cost of preparing this report is under \$5,000.

2013 Corridors of Commerce Program Summary

The 2013 Minnesota Legislature created the Corridors of Commerce program by authorizing the sale of up to \$300 million in new bonds for the construction, reconstruction and improvement of trunk highways. An additional \$11.4 million in federal Trunk Highway 610 High Priority Project (HPP) funds and State Road Construction (SRC) Project Delivery funds were contributed to the program, so total available resources are \$311.4 million. The law identifies two major goals for the program:

- Provide additional highway capacity on segments where there are currently bottlenecks in the system
- Improve the movement of freight and reduce barriers to commerce.

Projects considered for the Corridors of Commerce program in 2013 were classified in one of three eligibility categories:

- **Metro Capacity Improvement:** Includes projects within MnDOT's Metro District that increase capacity on segments in the Twin Cities area that do not end at other trunk highways or that have fewer lanes than adjacent segments.
- **Interregional Corridor Capacity Improvement:** Includes projects outside MnDOT's Metro District that increase capacity on segments that do not connect to other trunk highways or that have fewer lanes than adjacent segments.
- **Statewide Freight Bottlenecks:** Includes projects that remove or reduce barriers to commerce and ease or preserve freight movement.

MnDOT encouraged its district offices, key stakeholders and the public to suggest potential projects for this funding. The funding for Corridors of Commerce in 2013 came in the form of bonds that had a specific end date associated with them and cannot be used to buy right of way. Because the legislative intent of the funding was to deliver actual construction projects, MnDOT initially screened all submitted suggestions for delivery time frame and additional funding needs. Projects deemed as viable advanced for further consideration using the following criteria:

- Construction start date
- Relative return on investment
- Travel time improvement
- Local support
- Multimodal connections

In November 2013, MnDOT selected 10 projects to receive the Corridors of Commerce funds (Figure 1). At the time of selection, the scope for many of the chosen projects was not fully defined and cost estimates were preliminary. To better define the project scopes and increase the confidence in the cost estimates, MnDOT conducted a project refinement process in January 2014 to:

- Recommend budgets for each project based on available funds
- Identify project risk and risk management strategies
- Recommend a process for managing program contingency

Figure 1 Projects selected for 2013 funding

| Project | Construction Start Date | Project Program Category | Project Delivery (Professional/ Technical only) | Construction Estimate (Letting) | Project Budget |
|--------------------|-------------------------|----------------------------|---|---------------------------------|----------------|
| Hwy 169 (D1) | 2016 | Freight Bottleneck | \$1,931,442 | \$8,264,558 | \$10,196,000 |
| Hwy 2 (D2) | 2014 | Freight Bottleneck | \$120,000 | \$10,457,000 | \$10,577,000 |
| I-94 (D3) | 2014 | IRC Capacity Improvement | \$3,553,296 | \$32,352,704 | \$35,906,000 |
| Hwy 34 (D4) | 2014 | Freight Bottleneck | \$627,327 | \$9,951,673 | \$10,579,000 |
| Hwy 610 (M) | 2014 | Metro Capacity Improvement | \$7,870,942 | \$100,309,058 | \$108,180,000 |
| I-694 (M) | 2015 | Metro Capacity Improvement | \$270,000 | \$41,117,000 | \$41,387,000 |
| Hwy 14 (D6) | 2014 | IRC Capacity Improvement | \$819,000 | \$15,000,000 | \$15,819,000 |
| Hwy 14 (D7) | 2015 | IRC Capacity Improvement | \$3,949,500 | \$38,460,500 | \$42,410,000 |
| Hwy 23 (D8) | 2016 | Freight Bottleneck | \$884,000 | \$10,339,000 | \$11,223,000 |
| Total | | | \$20,025,507 | \$266,251,493 | \$286,277,000 |
| Management Reserve | | | | | \$30,943,000 |
| Total w/o ROW | | | | | \$317,220,000 |

NOTE: Although there is a gap of approximately \$5.79 million between total anticipated costs and total available funds, MnDOT's risk management process concluded that there is an 83 percent probability that all projects can be delivered without exceeding the available funds. Project management strategies are in place to deliver the projects within budget limits.

* Indicates MnDOT Districts. D1-northeast; D2-northwest; D3-central; D4-west central; M-Twin Cities metro area; D6-southeast; D7-south central; D8-southwest.

MnDOT received far more project recommendations than it had in available Corridors of Commerce funding. However, MnDOT appreciated the efforts of district staff, stakeholders and the public in identifying those potential projects for the program. A list of all the suggestions received is available at www.dot.state.mn.us/corridorsofcommerce/.

On the following pages are short summaries of each of the 2013 selected projects. Please note that the two Highway 14 projects between Mankato and Nicollet were merged into a single project after the initial selection process.

In addition to the original 10 projects selected for the Corridors of Commerce Program, MnDOT was able to capture approximately \$45 million in project savings and delivery efficiencies from its original estimates. The result was the inclusion of an additional project into the 2013 program that still met the criteria for delivery. The project selected was a four-lane widening project on Highway 371 from Nisswa to Jenkins, which is classified as an IRC Capacity Development Project. More details on this project will be included in future legislative updates.

District 1: Highway 169 – Four-Lane Expansion from Itasca CR 15 to CR 7

| State Project # | Budget (No ROW) | ROW Estimate | Project Delivery Costs | Estimated Construction Letting Cost | Letting Date | Construction Years |
|-----------------|-----------------|--------------|------------------------|-------------------------------------|--------------|--------------------|
| 3116-142 | \$10,196,000 | \$493,000 | \$1,931,442 | \$8,300,000 | 6/3/2016 | 2016-2017 |

Description

This project will widen and reconstruct 1.5 miles of Highway 169. The reconstruction will expand the 1.5 miles of Highway 169 from two-lanes to four-lanes from the east end of the Bovey Bypass at Itasca CR 15 to approximately 900 feet east of Itasca CR 7.

Funding

- \$10,196,000 Corridors of Commerce
- \$624,000 State Highway

Benefits

- Strengthen corridor reliability for freight by eliminating a bottleneck point on this important economic corridor for northeastern Minnesota.
- Provide improved safety and pavement condition on the corridor.

Status as of 10/31/2014

- On schedule for a 6/3/2016 bid letting.
- Construction should start in late summer of 2016 and continue through fall 2017.
- Project is currently being designed and is on schedule.

District 2: Highway 2 – Passing Lanes between Cass Lake and Deer River

| State Project # | Budget (No ROW) | ROW Estimate | Project Delivery Costs | Construction Letting Cost | Letting Date | Construction Years |
|-----------------|-----------------|--------------|------------------------|---------------------------|--------------|--------------------|
| 1102-62 | \$10,577,000 | \$0 | \$120,000 | \$13,310,000 | 8/22/14 | 2014-2015 |

Description

This project will construct new passing lanes on three segments of US 2 between Cass Lake and Ball Club (three miles west of Deer River). In addition, three left-turn lanes, nine right-turn lanes and one bypass lane will be constructed at various intersections along the corridor.

Funding

- \$10,577,000 Corridors of Commerce
- \$110,000 State Highway

Project Benefits

- Provide three new passing opportunities to reduce potential freight movement delays along the corridor.
- Improve safety and pavement condition along the corridor
- Serve the Leech Lake tribal nation since the project is within boundaries.

Status as of 10/31/2014

- This project was let on Aug. 22, 2014.
- Gladen Construction was the successful bidder of the project.
- The project is under construction and will continue through fall 2015.

District 3: Interstate 94 – Auxiliary Lanes from Highway 101 to Highway 241

| State Project # | Budget (No ROW) | ROW Estimate | Project Delivery Costs | Construction Letting Cost | Letting Date | Construction Years |
|-----------------|-----------------|--------------|------------------------|---------------------------|--------------|--------------------|
| 2780-66 | \$35,906,000 | \$0 | \$3,553,296 | \$32,350,000 | 5/14/2014 | 2014-2015 |

Description

This project will create:

- An eastbound auxiliary lane on Interstate 94 from the Highway 241 entrance ramp to the state trunk highway 101 exit ramp
- A westbound general purpose lane from just east of Highway 101 to the Highway 241 exit ramp
- A widening of the bridges over the Crow River
- An extension of the westbound exit ramp to Highway 101 by approximately 3,500 feet.

Funding

- \$35,906,000 Corridors of Commerce
- \$653,296 State Highway

Benefits

- Improve mobility and reduce congestion along the most heavily congested interregional corridor roadways in all of Greater Minnesota.
- Improve travel time reliability and safety along this important economic corridor for the state.
- Reduce freight congestion on this National Freight Corridor.

Status as of 10/31/2104

- Project was let on March 5, 2014.
- Hoffman/PCI was the successful bidder of the project.
- The project is under construction and will continue through fall2015.

District 4: Highway 34 – Passing Lanes from Detroit Lakes to Nevis

| State Project # | Budget (No ROW) | ROW Estimate | Project Delivery Costs | Construction Letting Cost | Letting Date | Construction Years |
|-----------------|-----------------|--------------|------------------------|---------------------------|--------------|--------------------|
| 0303-64 | \$10,579,000 | \$20,000 | \$627,327 | \$7,920,000 | 6/27/2014 | 2014-2015 |

Description

This project will make safety improvements at two intersections on state trunk highway 34 between Detroit Lakes and Nevis. In addition, the project will add five eastbound and four westbound passing lane opportunities along the corridor.

Funding

- \$10,579,000 Corridors of Commerce
- 622,327 State Highway

Benefits

- Improve intersection safety at two key intersections along the corridor.
- Reduce pressure for traffic to make high-risk passes when traveling behind slower moving vehicles, such as commercial trucks and recreation traffic.
- Improve overall connectivity in north central Minnesota.

Status as of 10/31/2014

- Project was let on June 27, 2014.
- Anderson Brothers was the successful bidder for the project.
- The project is under construction and will continue through fall 2015.

District 6: Highway 14 – Four-Lane Expansion from Highway 218 to CR 80/DM&E Railroad

| State Project # | Budget (No ROW) | ROW Estimate | Project Delivery Costs | Construction Letting Cost | Letting Date | Construction Years |
|-----------------|-----------------|--------------|------------------------|---------------------------|--------------|--------------------|
| 7402-30 | \$15,819,000 | \$0 | \$819,977 | \$12,010,000 | 4/25/2014 | 2014-2015 |

Description

This project will expand a 2.4 mile segment of Highway 14 from two lanes to four lanes from Highway 218 to CR 80. This project represents “Segment 1” of the 16-mile, two-lane segment of Hwy 14 between Owatonna and Dodge Center, which will be expanded to four lanes.

Funding

- \$15,819,000 Corridors of Commerce
- \$819,977 State Highway

Benefits

- Improve travel time reliability, reduce congestion, and address future safety concerns on a corridor which currently has 18,000 daily commuters.
- Help close part of the two-lane gap on this important economic corridor for southeastern Minnesota.
- Supports other planned investment in the region designed to make the Destination Medical Center a reality.

Status as of 10/14/2014

- The project was let on April 25, 2014.
- Mathiowetz was the successful bidder.
- The project is under construction and will continue through fall 2015.

District 7: Highway 14 – Four-Lane Expressway to North Mankato & the Nicollet Bypass

| State Project # | Budget (No ROW) | ROW Estimate | Project Delivery Costs | Estimated Construction Letting Cost | Letting Date | Construction Years |
|-----------------|-----------------|--------------|------------------------|-------------------------------------|--------------|--------------------|
| 5203-104 | \$42,410,000 | \$3,366,000 | \$3,949,500 | \$38,500,000 | 5/15/2015 | 2015-2016 |

Description

This project combines two separate corridor improvements: a widening of a 6.5 mile segment of US Highway 14 from city of Nicollet to North Mankato; and the construction of a 2.5 mile four-lane bypass of the city of Nicollet.

Funding

- \$42,410,000 Corridors of Commerce
- \$4,406,500 State Highway

Benefits

- Improve mobility along an important economic corridor for southern Minnesota.
- Support pedestrian safety by moving through traffic out of the city of Nicollet.
- Improve freight flows through the region by eliminating several miles of a congestion bottleneck and provide a bypass.

Status as of 10/14/2014

- Project is scheduled to be let on March 5, 2015
- Construction should begin in summer of 2015 and be completed by fall 2016.
- Project is currently being designed and is on schedule.

District 8: Highway 23 – Passing Lanes between Willmar and Interstate 90

| State Project # | Budget (No ROW) | ROW Estimate | Project Delivery Costs | Estimated Construction Letting Cost | Letting Date | Construction Years |
|-----------------|-----------------|--------------|------------------------|-------------------------------------|--------------|--------------------|
| 4206-22 | \$11,223,000 | \$0 | \$884,000 | \$10,300,000 | 1/22/2016 | 2016 |

Description

This project constructs both eastbound and westbound passing lanes on three segments of Highway 23 between I-90 and Willmar.

Funding

- \$11,223,000 Corridors of Commerce
- \$334,000 State Highway

Benefits

- Reduce pressure for traffic to make high-risk passes when traveling behind slower moving vehicles, such as commercial trucks and recreation traffic.
- Improve overall connectivity of southwestern Minnesota to the rest of the state.

Status as of 10/31/2014

- Project is scheduled to be let on Jan. 22, 2016
- Construction should begin in late spring 2016 and be completed fall 2016.
- Project is currently being designed and is on schedule.

Metro District –Highway 610 - Complete Freeway from Interstate 94 to CR 81

| State Project # | Budget (No ROW) | ROW Estimate | Project Delivery Costs | Construction Letting Cost | Letting Date | Construction Years |
|-----------------|-----------------|--------------|------------------------|---------------------------|--------------|--------------------|
| 2771-37 | \$108,180,000 | \$45,000,000 | \$7,870,942 | \$80,730,000 | 8/8/2014 | 2015-2016 |

Description

This project will connect the existing Highway 610 freeway, which stops at Elm Creek Boulevard, with an interchange to I-94 near the 101st Ave. N. overpass of I-94.

Funding

- \$74,930,000 Corridors of Commerce
- \$44,000,000 State Highway
- \$8,000,000 Federal High Priority Project
- \$1,500,000 Local Funding

Benefits

- Provide travel options for commuters and freight transportation in the northern Twin Cities.
- Provide relief to one of the more heavily congested corridors in the state.
- Improve safety and overall operations of the Twin Cities freeway network.
- Assist with improving and maintaining the I-94 as a National Freight Corridor.

Status as of 10/31/2014

- The project was let on Aug. 8, 2014.
- Lunda was the successful bidder.
- Ground-breaking for the project occurred in October 2014
- Major construction will begin in spring 2015 and continue through fall 2016.

Metro District: Interstate 694 Dynamic Shoulder Lane from Rice Avenue to Lexington Avenue

| State Project # | Budget (No ROW) | ROW Estimate | Project Delivery Costs | Construction Letting Cost | Letting Date | Construction Years |
|-----------------|-----------------|--------------|------------------------|---------------------------|--------------|--------------------|
| 6285-143 | \$41,387,000 | \$2,500,000 | \$270,000 | \$42,300,000 | 11/20/15 | 2016-2017 |

Description

Construct an additional lane on eastbound and westbound I-694 between US10/Highway 51 and Rice Street.

Funding

- \$41,387,000 Corridors of Commerce
- \$250,000 State Highway

Benefits

- Provide congestion relief via an additional travel lane in both directions along a critical corridor in the Twin Cities.
- Reduce a significant freight bottleneck which affects both the Twin Cities and Greater Minnesota freight delivery system.
- Improve safety and pavement condition along this critical corridor.

Status as of 10/31/2014

- The project is scheduled to be let on Nov. 20, 2015.
- Construction should begin in spring 2016 and continue through fall 2017.
- The project is currently being designed and is on schedule.

2014 Corridors of Commerce Program Summary

The Minnesota Legislature provided an additional \$31.5 million in trunk highway funding for Corridors of Commerce during the 2014 legislative session. Of that amount, \$6.5 million became available in FY 2014 for projects in Greater Minnesota, and \$25 million is available in FY 2015 for projects statewide. One of the primary intents of the legislation was to use the funding to prepare potential projects for future construction. Preparations could include right of way purchases (in contrast to the 2013 funding), environmental work and design engineering.

Because of the need to identify FY 2014 projects as soon as possible, MnDOT opted to use the projects previously suggested by the districts, stakeholders, and public. Since the focus of the 2014 Program was to prepare projects for future construction, MnDOT adjusted its project consideration criteria to include following:

- Advances the readiness of a future project
- Preservation of efficient freight movement
- Return on investment
- Local support

Projects selected for FY 2014 funding

| Route | Project | Cost Estimate | Project Category |
|------------|--|---------------|--------------------------|
| Highway 14 | Purchase right of way for expansion between Dodge Center and Owatonna | \$1.5 million | IRC Capacity Development |
| Highway 23 | Environmental work to prepare Highway 23 for future expansion from New London to Paynesville and Paynesville to Richmond | \$1.5 million | IRC Capacity Development |
| Highway 34 | Center left turn lane in Detroit Lakes from Highway 59 to County Road 141 | \$1.9 million | Freight Improvement |
| Highway 2 | Reconstruct segment of roadway in Deer River | \$1.6 million | Freight Improvement |

2015 Corridors of Commerce Program Summary

For the \$25million allotted in FY 2015 projects, MnDOT used essentially the same consideration criteria as it used on the FY 2014 projects, with the addition of the following criteria:

- Approximately 50 percent of the funding should go to the Twin Cities Metro area and 50 percent of the funding should go to Greater Minnesota.

Projects selected for FY 2015 funding

| Route | Project | Cost Estimate | Project Category |
|--|---|---------------|-------------------------------|
| Highway 14 and Highway 15 intersection – New Ulm | Preliminary design work | \$700,000 | Freight Improvement |
| I-94 – St. Michael to Albertville | Design options for lane addition | \$1.4 million | IRC Capacity Development; |
| Highway 11 – Greenbush to Warroad | Design passing lanes | \$500,000 | Freight Improvement; |
| Highway 14 – Owatonna to Dodge Center | Purchase right-of-way for expansion | \$7.3 million | IRC Capacity Development |
| Highway 23 – New London to Paynesville | Purchase right-of-way for expansion | \$800,000 | IRC Capacity Development |
| Highway 34 – Detroit Lakes to Becker CR 29 | Mill and overlay | \$1.8 million | Freight Movement Preservation |
| Highway 169 – Nine Mile Creek | Design work for bridge replacement | \$1.5 million | Freight Movement Preservation |
| I-35W – Minnesota River crossing | Design work | \$5.5 million | Freight Movement Preservation |
| I-35W – Northern suburbs | Design work for MnPASS system | \$1.1 million | Metro Capacity Development |
| Highway 65 – Central Avenue | Design work for bridge deck replacement | \$1 million | Freight Movement Preservation |
| I-94 – between Minneapolis and St. Paul | Design work for new pavement, bridges and managed lanes | \$2 million | Metro Capacity Development |
| Snelling Avenue – St. Paul | Provide added funding for reconstruction project | \$1.4 million | Freight Improvement |