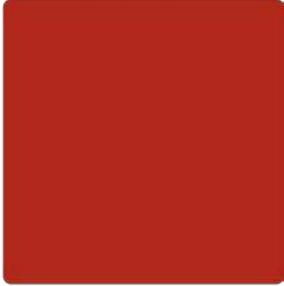
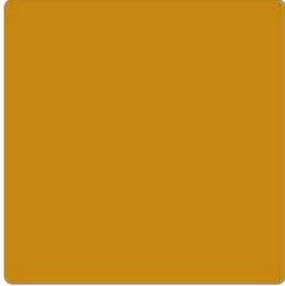
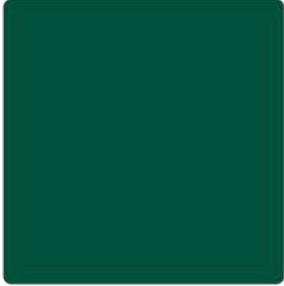




**METRO DISTRICT
OFFICE OF STATE AID**

MINNESOTA DEPARTMENT OF TRANSPORTATION



Municipal Agreement Program Planning and Programming Guide



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August 2015

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M I N N E S O T A D E P A R T M E N T O F T R A N S P O R T A T I O N

State Aid And Program Delivery Area Representatives

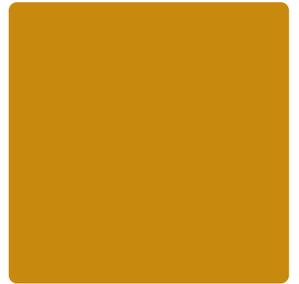
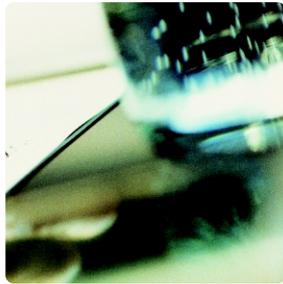
Metro State Aid

Minnesota's economic strength and vitality depends on an effective transportation system. To support the state's system of streets, roads and bridges, MnDOT distributes funds for highway maintenance and construction to counties, cities and townships based on a formula determined by the Legislature.

Metro District State Aid is responsible for working closely with local levels of government to ensure the Metro area maintains a safe, effective and coordinated highway network. To accomplish this Metro State Aid is staffed in three areas, Cooperative Agreements & Turnbacks, State Aid, and Federal Aid. For current staffing please go to the Metro State Aid web site at <http://www.dot.state.mn.us/metro/stateaid/home.html>

All of the projects in the Municipal Agreement Program are routed through Cooperative Agreements and Turnbacks. The Cooperative Agreements section provides MnDOT Trunk Highway construction funding through a competitive selection process to local agencies for roadway improvement projects. The program selects Cooperative Agreement projects that are initiated and administered by a local agency, involving a Trunk Highway, where MnDOT funds are utilized for part of the project to the mutual benefit of all partners. The program relies on the initiative of the local agencies and their commitment to making roadway improvements.

Local agencies should work with the [MnDOT Area Managers](#) between April and June to investigate potential projects for possible inclusion in the program. Project funding selection takes place in September and funding becomes available the following July.



M I N N E S O T A D E P A R T M E N T O F T R A N S P O R T A T I O N

Municipal Agreement Program Overview And Policy



What is the Municipal Agreement Program?

It is a program that allows locally developed projects to receive trunk highway dollars to partially fund Cooperative Agreement projects.



What is a Cooperative Agreement Project?

It is a mutually beneficial construction project developed and administered by a local government unit (LGU) where Mn/DOT funds are utilized to pay for a portion of the project cost. The project must include a trunk highway component and/or benefit.

What can Mn/DOT participate in?

A portion of the project construction costs up to a maximum commitment of \$710,000 per project (this maximum includes all State furnished materials, Construction Engineering and Inspection).

Only costs eligible under the current Cost Participation Policy will be considered.

For specific information on the policy go to:

<http://www.dot.state.mn.us/policy/financial/fm011.html>

What are the Responsibilities of the Local Agency?

1. Preliminary engineering and design, including compliance with applicable Local, State and Federal environmental regulations, etc.

See the Highway Project Development Process (HPDP) site at:

<http://www.dot.state.mn.us/planning/hpdp/>

2. Some specific examples of local agency responsibility
 - a. Right of Way acquisition.
 - b. Layout
 - c. Permits
 - d. Utility relocations & costs
 - e. Railroad agreement & costs
 - f. Construction costs not covered by the awarded funds
 - g. Completion of Intersection Control Evaluation (ICE) process as applicable.

See the Traffic Engineering Site at:

<http://www.dot.state.mn.us/trafficeng/safety/ice/index.html>

Cost Participation and Maintenance Responsibilities with Local Units of Government (Cost Participation Policy)

Purpose:

This policy has been developed to determine the extent which trunk highway funds may be expended on elements of a cooperative construction project. The basis of the policy is that MnDOT participation is limited to trunk highway purposes.

Cost participation from local units of government will typically be required for locally requested project elements, design beyond what MnDOT has determined as necessary for the trunk highway project scope, design beyond applicable design criteria, or items with negative impacts on the trunk highway system such as traffic control signals, local road access or parking. Local cost participation is also likely for locally requested replacement of existing trunk highway infrastructure in advance of obsolescence. Locally owned utility relocation costs are determined in accordance with applicable Minnesota Statutes and Rules.

It is recognized that many projects will have both trunk highway and local purposes. In many situations those purposes may not be easily assigned as either MnDOT or local responsibility. In these cases costs are assigned in this policy on the basis of jurisdictional ownership or as a cooperative construction item as identified in Section II.B of the Cost Participation Policy.

Cost Accounting & Record Keeping

For all projects with trunk highway impacts a State Project number should be issued, even if there are no Trunk Highway funds in the construction, for record keeping and accounting purposes.

Frequently Asked Questions

Where can I get a copy of the Cost Participation Policy?

The policy is located on the Internet, so that the latest updates are available.

- Policy Guidelines address is:
<http://www.dot.state.mn.us/stateaid/ProjDeliv/agreements/information/ds11.pdf>
- Policy Position Statement address is:
<http://www.dot.state.mn.us/stateaid/ProjDeliv/agreements/information/DS12.pdf>

Who do I contact if I have questions about the policy?

- See the Cooperative Agreement portion of the Metro State Aid Organizational Chart at <http://www.dot.state.mn.us/metro/stateaid/orgchart15.pdf>

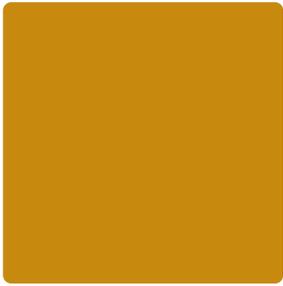
Oversight Definition

Oversight is defined by the MnDOT/FHWA Stewardship Plan as *the act of ensuring that the Federal highway program is delivered consistent with applicable laws, regulations, and policies.* Metro District has a responsibility to provide oversight of Federal-aid projects both on the Trunk Highway System and on the local system that fulfills the Stewardship Agreement and meets the expectations of FHWA.

In addition, whenever there is work on the right-of-way of a Trunk Highway, MnDOT has an oversight responsibility, regardless of what type of funds are being used. Therefore, with respect to Trunk Highways, the definition of oversight can be broadened to *the act of ensuring that any construction activity undertaken on or affecting the Trunk Highway system is designed and constructed in accordance with the laws and rules of the State of Minnesota and policies of the Department of Transportation.* This includes Federal oversight responsibilities when applicable.

Oversight does not refer to who processes plans, reviews and comments on projects, requests agreements, etc. Those activities will occur according to established procedures, which often depend upon the type of funds being utilized.

As projects vary in complexity, varying levels of oversight are appropriate. It is assumed that the local agency will deliver, advertise, and administer their approved Cooperative Agreement Project. MnDOT Contract Administration may be available on a project by project basis; this would need to be negotiated through appropriate Area Staff. There are projects where MnDOT Contract Administration is required, and costs for the administration would again be negotiated with appropriate Area Staff.



M I N N E S O T A D E P A R T M E N T O F T R A N S P O R T A T I O N

The Project Development Process

MUNICIPAL AGREEMENT PROGRAM PROJECT DEVELOPMENT PROCESS

The Metro Municipal Agreement Program falls under the Statewide and Metro, Regional and Community Improvement Priorities (RCIP) Investment Category. It is intended to address participation by MnDOT in mutually beneficial projects within a relatively short planning horizon.

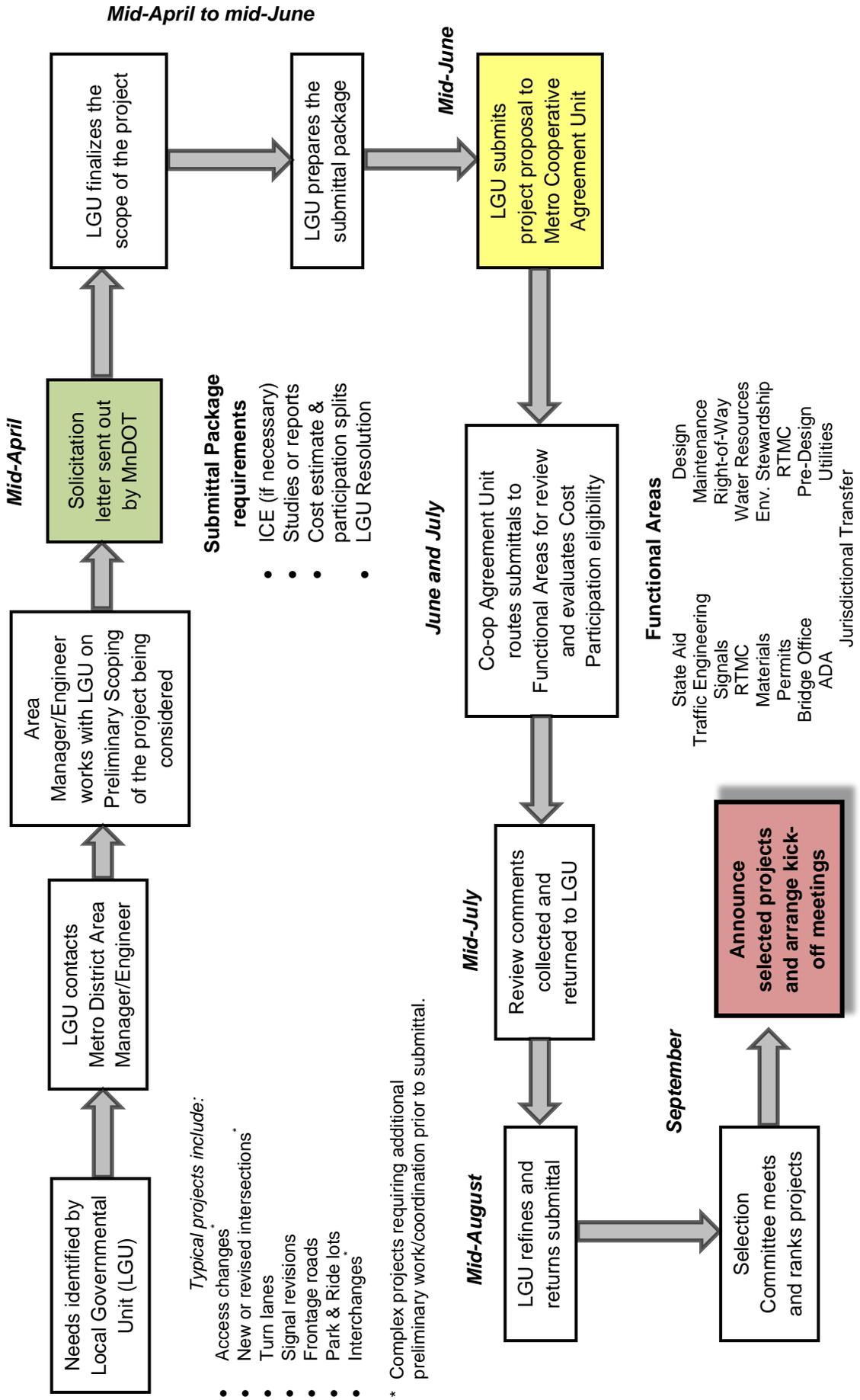
STEPS NECESSARY TO ACHIEVE A SUCCESSFUL PROJECT

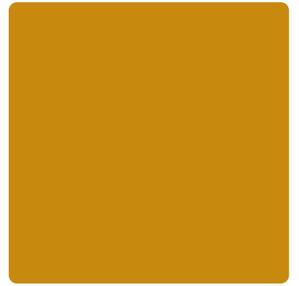
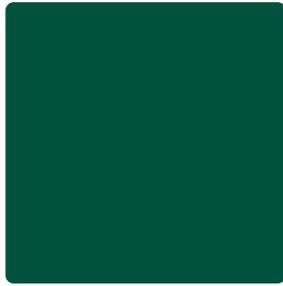
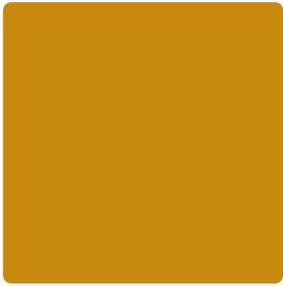
(The next section describes the requirements of the submittal package.)

1. An improvement is proposed/identified that provides benefit to both the local community and the Trunk Highway System. The proposal must be consistent with Trunk Highway corridor plans and local and regional development plans.
2. The community works with the MnDOT - Metro District Area Manager/Engineer and Metro Cooperative Agreement Engineer to develop a scope for the project. As part of this scoping process the following information is collected:
 - a. Description of the “need” – i.e. repairs to infrastructure, congestion management, access modification, accident reduction, geometric improvement, etc. The need/benefit should be addressed in terms of the Metro Program Investment Categories of Preservation, Safety and Mobility.
 - b. Supporting data - traffic counts, crash history, studies, reports, etc.
 - c. Visual depiction - photos, plats, layouts, etc.
3. The local agency prepares the official submittal using the information collected during the scoping process. The submittal should contain the following:
 - a. Geometric layout (or concept sketch) - needed for most geometric changes. A drawing in sufficient detail to relay the proposed improvements is needed with the application. If a layout is required it must be in MnDOT format and follow the layout procedures for approval. A layout is not needed for the solicitation packet, but it must be submitted and approved before plans are submitted to prevent excessive project design rework if the project gets selected. The type of layout (Level 1-3) and duration of review and approval (6-24 weeks) is dependent upon the scope of the project.
 - b. Reports (crash data, traffic study, traffic counts, approved ICE, etc.) plus any environmental studies or documentation available as applicable.
 - c. Cost estimate - include cost split for all contributing parties. The estimate must be detailed enough for a MnDOT Construction Cost Participation Policy review.
 - d. Signed resolution showing local government agency intent to take the lead on the project. **The applicant should have all funding commitments arranged and be prepared to deliver the project within the program fiscal year.**
4. The submittal package is circulated for review within the Metro and Central Office functional areas. In some cases a meeting with representatives of the local agency may be requested if multiple issues are identified. The proposal may be modified as a result of the review.

5. The project is reviewed by a selection committee comprised of representatives of local governments and Metro District State Aid Staff and competes with other projects for funding. The committee, after reviewing all of the solicited projects, can then choose to:
 - a. Fund the project at the requested level.
 - b. Fund the project at a reduced level.
 - c. Choose to place the project on a waiting list at a fixed funding level for the submitted fiscal year.
 - d. Not fund the project at any level.
6. The local agency is contacted and offered funding up to the amount determined by the Selection Committee. This funding is contingent on the work being in accordance with the Cost Participation Policy. The local agency makes the decision to keep or drop the project based on the project modifications and level of funding. The local agency will also be reminded of the option of “up front” lump sum payment or periodic payment via the Schedule-I process. For most projects a lump sum approach is appropriate. If the scope of the project changes significantly after the project has been selected; it may be dropped or require review by MnDOT State Aid staff or by the original selection committee at the discretion of MnDOT.

PROJECT SUBMITTAL AND SELECTION PROCESS FOR MnDOT METRO COOPERATIVE AGREEMENT PROGRAM FUNDING





M I N N E S O T A D E P A R T M E N T O F T R A N S P O R T A T I O N

The Submittal Package

The Local Government Unit submits a package for each project it wishes to have considered for funding. The submittal package should contain the following:

1. A cover letter describing the project. Specifically address what are the benefits to the trunk highway system as well as to the local system.
2. Geometric Layout or concept drawing. The more detailed the better.
3. Cost Estimate/Split to include all agencies contributing to the project.
 - a. Needs to be detailed enough for a Cost Participation Policy review.
4. Signed Resolution from the City Council, Township or County Board indicating a willingness to take the lead on the project and supporting the request for funding.
5. One page summary of the project including the benefits and cost splits. Include whether there is an opportunity to advance the work and/or leverage local and/or private funding as applicable.
6. Additional materials such as:
 - a. Traffic Study (if necessary)
 - b. Approved Intersection Control Evaluation (ICE) (if new signal or roundabout proposed) or ICE memo for intersection modifications. Use this link to the ICE web page for more details
<http://www.dot.state.mn.us/trafficeng/safety/ice/index.html>
 - c. Environmental Studies or documentation
 - d. Compliance with Metropolitan Council TPP, MnDOT/Metro HIP, Local Comprehensive Plans as applicable and how the proposal supports community development.
 - e. Tentative schedule

PROJECT PRIORITIZATION AND SELECTION

Projects that are submitted through the Municipal Agreement process are guided by the **Minnesota 20-Year State Highway Investment Plan (MnSHIP)**. The full MnSHIP plan can be found at this location <http://www.dot.state.mn.us/planning/mnship/>.

MnSHIP is MnDOT’s vehicle for deciding and communicating capital investment priorities for the system for the next 20 years. MnSHIP is a fiscally constrained plan and is updated every four years to respond to changing conditions and assumptions. MnSHIP details how MnDOT will use available resources efficiently and effectively in addressing agency objectives.

The plan addresses new legislation at both the Federal and State level to move to performance based planning to guide investments now and into the future.

Investment Category Descriptions

MnDOT invests in the state highway system through various types of capital improvement projects. Some projects add to or enhance the condition of existing infrastructure, whereas others add new infrastructure to the system. There are many competing priorities for investment along the state highway system, and MnDOT is responsible for selecting investments that balance these best. This task is made especially challenging by the widening gap between MnDOT’s projected transportation revenues and investment needs.

MnDOT’s capital investments on the state highway system are separated into five major investment areas and 10 distinct categories, as illustrated in Figure 1-6.

Asset Management	Traveler Safety	Critical Connections	Regional + Community Improvement Priorities	Project Support
<ul style="list-style-type: none"> Pavement Condition Bridge Condition Roadside Infrastructure Condition 	<ul style="list-style-type: none"> Traveler Safety 	<ul style="list-style-type: none"> Twin Cities Mobility Interregional Corridor Mobility Bicycle Infrastructure Accessible Pedestrian Infrastructure 	<ul style="list-style-type: none"> Regional + Community Improvement Priorities 	<ul style="list-style-type: none"> Project Support

Figure 1-6: MnSHIP Investment Areas and Categories

More information on investment areas and categories can be found in **Appendix F: Investment Category Folios** at the MnSHIP home page. All MnDOT projects fall into these investment areas and categories. While Municipal Agreement Projects could fall into any of these, a majority of them fall into the Regional + Community Improvement investment area as described below.

REGIONAL AND COMMUNITY IMPROVEMENT PRIORITIES: CATEGORY DESCRIPTION

Regional and Community Improvement Priorities (RCIPs) are collaborative investments that respond to regional and local concerns beyond system performance needs. The RCIP investment category assists MnDOT in delivering a well-rounded transportation investment program that

advances objectives for which MnDOT may not have statewide performance targets, such as improving multimodal connections, community livability, economic competitiveness, environmental health, and quality of life in Minnesota.

Typical improvements include intersection improvements that increase traffic flow or facilitate efficient freight movement, projects that support multimodal connectivity, bypass or turning lanes, access management solutions, improvements that support Complete Streets, and regional or spot capacity expansion projects.

MnDOT PROJECT SELECTION

(As copied from the 20-Year Minnesota State Highway Investment Plan 2014-2033)

INFLUENCE OF NEW INVESTMENT PRIORITIES ON PROJECT SELECTION IN YEARS 1-3

Projects identified for 2014, 2015, and 2016 (Years 1-3) were developed based on investment priorities established in the 2009 state highway investment plan and on the existing **State Transportation Improvement Program (STIP)**, covering 2013-2016. MnDOT considers projects listed in the STIP to be commitments. As a result, MnSHIP did not shape project selection for Years 1-3, though the timing and scope of these projects might have changed based on project development and coordination with local partners.

INFLUENCE OF NEW INVESTMENT PRIORITIES ON PROJECT SELECTION IN YEARS 4-10

MnSHIP investment priorities directly affect project selection in Years 4-10. Regarding Year 4, MnDOT developed the forthcoming annual update to the STIP covering projects in 2014-2017 concurrently with MnSHIP. Therefore, projects listed for Year 4 (2017) reflect MnSHIP investment priorities. Projects and priorities in Years 5-10 are similarly influenced, though they are still in the planning stages and not yet considered commitments. The timing and scope of these projects is subject to change according to MnDOT's ongoing evaluation of system conditions, project timing, and agency risks.

MnDOT created two programs that will guide project selection for Years 4-10 of MnSHIP going forward: the **Statewide Performance Program (SPP)** and the **District Risk Management Program (DRMP)**. The purpose of establishing these two programs is to ensure the agency efficiently and effectively works toward common statewide goals—in particular, meeting GASB 34 thresholds for pavements and bridges and meeting MAP-21 performance targets—while maintaining some flexibility to address unique risks and circumstances at the district level.

Project Selection through the Statewide Performance Program

MAP-21, the new federal transportation bill, places greater emphasis on **National Highway System (NHS)** performance and requires MnDOT to make progress toward national performance goal areas, including those related to asset condition, safety, and congestion. Failure to do so results in the loss of some federal funding flexibility. Further, the scenario analysis highlighted the expectation that MnDOT maintain the state's most important routes in a state of good repair. In response, MnDOT developed the SPP to ensure that federal and state performance targets are met on the NHS and that the condition of these routes meets public and MnDOT expectations. MnDOT also makes it a priority to use all federal funds and retain federal funding flexibility.

The SPP funds and provides a process for selecting projects that address risks related to statewide travel. Staff from MnDOT's central office, district offices, and specialty offices collaborated to develop a list of potential projects and planned investments to address these risks in Years 4-10 through the SPP. Similar to now, each MnDOT district will coordinate with **Area Transportation Partnerships (ATPs)**, MPOs, and other key partners and recommend adjustments to project scope and timing. Upon final selection, each MnDOT district is responsible for designing and delivering selected projects. The following types of projects are prioritized through the SPP in MnSHIP:

- **Asset Management.** Rehabilitation or replacement of existing pavements, bridges, and roadside infrastructure elements on NHS roads.
- **Traveler Safety.** Lower cost, high-benefit strategies to improve traveler safety on NHS roads.
- **Critical Connections.** Improvements that address performance related to mobility and congestion mitigation in the Twin Cities metropolitan area. Also includes bicycle and pedestrian accommodations to be implemented concurrently with Asset Management projects on NHS roads.

The SPP also includes some revenue for statewide competitive solicitations that will fund projects that leverage local funds to provide economic, quality of life, and transportation benefits. Past examples, that may or may not be the basis for future solicitations, include the **Safety and Mobility (SaM)**, **Transportation Economic Development (TED)**, and **Corridor Investment Management Strategy (CIMS)** solicitations.

MnDOT used investment priorities for the NHS to determine the projects and project costs that would be necessary to meet SPP objectives for Years 4-10 of the plan. The result is that the SPP accounts for approximately 45 percent of annual revenue, or approximately \$333 million per year, plus the cost of delivering those projects (Project Support). Planned projects and investments for Years 1-10 is presented in **Appendix H: District 10-Year Work Plans**. Going forward, MnDOT will continue to evaluate its expectations and funding levels for existing assets on the NHS and the statewide solicitation programs.

Project Selection through District Risk Management Program

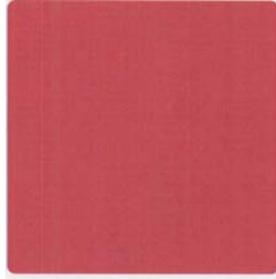
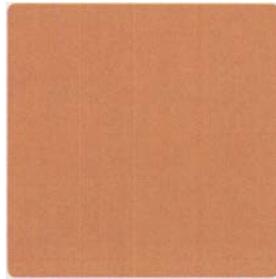
Whereas the SPP focuses funding on addressing key performance targets on NHS routes, the DRMP focuses funding on all other non-NHS highways as well as other non-performance-based needs (RCIPs) on all state highways. The majority of the program supports pavement and bridge rehabilitation or replacement projects. The DRMP project selection process is structured to give districts the flexibility to address their greatest regional and local risks. Districts are also able to make additional investments on the NHS system if the proposed project is in response to a high risk issue.

In the DRMP, each MnDOT district is responsible for selecting projects that mitigate their highest risks that are not addressed through the SPP in the areas of Asset Management, Traveler Safety, Critical Connections, and RCIPs. MnDOT distributes different levels of funding to the districts for this program based on a revenue distribution method that accounts for various system factors. MnDOT districts collaborate with ATPs, MPOs, and other key partners to select projects for Years 4-10.

MnSHIP directs 45 percent of MnDOT's annual revenues toward DRMP projects in Years 4-10, or approximately \$333 million per year (plus the cost of delivering those projects Project Support). Coincidentally, this is the same annual amount that resulted from the SPP project selection process. The DRMP's share of MnDOT's annual program may vary in the future depending on the outcomes of MnDOT's ongoing risk-based and performance-based planning efforts. The investment category mixes for each district vary depending on the system characteristics and conditions unique to that area of the state.

MUNICIPAL AGREEMENT PROJECT SELECTION

Usually using the DRMP project selection process as outlined by MnSHIP, the selection committee selects the projects that they determine best meets the TH and local government requirements.



M I N N E S O T A D E P A R T M E N T O F T R A N S P O R T A T I O N

Project Examples

MUNICIPAL AGREEMENT PROGRAM PROJECT EXAMPLES

The Metro Municipal Agreement Program always has more needs than funding to cover them. Because this is a competitive process that has the projects reviewed and selected by City and County staff with assistance from MnDOT, we have tried to provide recent examples of selected projects. These examples have the initial submittal and the responses to the MnDOT Functional Area review comments and they also show the variety of projects that get submitted. In the future other projects will be added and some removed to keep the examples current and relevant to what is being selected by the program and the selection committees.

Example projects can be found at <http://www.dot.state.mn.us/metro/stateaid/cooperat.html>