

TRANSPORTATION ADVISORY BOARD
Metropolitan Council
390 N. Robert St., St. Paul, Minnesota 55101-1805

Minutes of a Meeting of the
FUNDING AND PROGRAMMING COMMITTEE
October 18, 2012

MEMBERS PRESENT: Karl Keel (Chair), Adam Harrington, Innocent Eyoh, Greta Alquist, Craig Jenson, Cynthia Wheeler, Joe Lux, Colleen Van Wagner, Brian Isaacson, Ted Schoenecker, Kate Garwood, Carl Ohrn, Steven Hay, Richard McCoy, Tom Johnson, John Sass, Lyndon Robjent, Jenifer Hager, Kevin Roggenbuck, and Heidi Schallberg (staff)

OTHERS PRESENT: Matt Parent - Anoka County, Pat Bursaw – MnDOT, Jon Solberg – MnDOT, Ann Braden – Met Council, Mary Karlsson – Met Council, Steve Elmer – Met Council, Katie White – Met Council, Kim Zlimann – Hennepin County, Jim Grube – Hennepin County

1. Call to Order

The meeting was called to order at 1:33 p.m.

2. Adoption of Agenda

The agenda was adopted with the addition of a discussion of HSIP funding under Other Business.

3. Approval of the Minutes from the September 20, 2012, Meeting

Minutes from the September meeting were approved without change.

4. TAB Report (Kevin Roggenbuck)

Kevin Roggenbuck reported on the October 17th TAB meeting. TAB decided to suspend its Policy and Programming committees for a six-month trial period in which all issues will be presented to the full TAB. The discussion on the Bottineau Transitway LPA Transportation Policy Plan amendment is postponed until the TAB's November 28th meeting. Mary Karlsson presented the findings from the "A" Minor Arterial Study. Koryn Zewers from MnDOT presented about MAP-21. Margaret Donahoe presented the Minnesota Transportation Alliance's vision. Libby Starling from the Council presented about Thrive MSP 2040, and the TAB was interested in scenarios for growth alternatives.

5. TIP Amendment Requests

Brian Isaacson said that the TIP amendment requests before the committee were results of earmarks that state DOTs have until the end of this calendar year to reallocate. MnDOT worked to reallocate these with the original project sponsors, resulting in these TIP amendment requests. Jon Solberg said that since we are still working under the 2012 STIP while awaiting approval of the draft 2013 STIP, the amendment requests were written to allow either one to be amended since we could possibly receive approval on the STIP before an amendment works through the process. If the funds are not obligated by the end of 2012, any remaining funds will be available to other states that did meet their year-end obligation deadline. Overall, \$11 million in earmarks in the region were rescinded; not all of those projects needed TIP amendments to be reprogrammed. J. Solberg provided a recap of the nine local projects that were rescinded and needed to be reprogrammed.

a. Midtown Greenway Bridge Study - #2012-39

In 2006, the Midtown Greenway in Minneapolis (SP# 027-070-006) received a \$1,485,000 federal earmark through Hennepin County. Most of the funds were used to rehabilitate three bridges over the Greenway. All but \$14,735 of the original earmark was obligated on the three bridge projects, which are now complete. The federal funds from the Midtown Greenway appropriation will be re-programmed for the Midtown Greenway Bridge Study and combined with local funding to evaluate the structural condition and historical context of bridges over and adjacent to the greenway corridor in Minneapolis.

K. Roggenbuck clarified that this amendment request would be handled as one action item to amend either the 2012-2015 or the 2013-2016 TIP. **Carl Ohrn moved to recommend the TAB adopt an amendment to either the 2012-2015 or the 2013-2016 TIP to include \$14,735 for a Midtown Greenway Corridor Bridge Study. Tom Johnson seconded the motion, and the motion carried.**

b. I-35W & Lake Street Access (2012-36 and 2012-40)

In 2003, the I-35W & Lake Street Access project in Minneapolis (SP# 027-603-049) received an \$8,941,500 federal appropriation through Hennepin County. To date none of the funds have been obligated. The original 35W and Lake Street Access project description in the TIP identified right-of-way acquisition and design-build construction as the project scope. This amendment will reduce the amount of federal funding on this project to \$2,000,000 and change the project scope to preliminary engineering. The amendments were submitted as two separate requests for the 2012 and 2013 TIPs, referenced as action transmittals 2012-36 and 2012-40.

T. Johnson moved to recommend that the TAB adopt an amendment to either the 2012-2015 or the 2013-2016 TIP to include \$2,000,000 for preliminary engineering for the I-35W and Lake Street Access project. Lyndon Robjnt seconded the motion, and the motion carried.

c. Transportation Interchange (2012-37 and 2012-41)

In 2003, the I-35W & Lake Street Access Project in Minneapolis received an \$8,941,500 federal appropriation through Hennepin County. To date none of the funds have been obligated. A portion of the funds for the I-35W Lake Street Access Project, in the amount of \$6,941,500, will be re-programmed through this amendment for the Interchange (SP# 027-030-028) site preparation and construction of foundations and building structure. The Transportation Interchange in downtown Minneapolis will serve as an intermodal hub.

Innocent Eyoh said that the three amendments met conformity requirements, but we did not receive the requests until one to two days before this committee meeting. He said because the air quality conformity determination takes a lot of time to do, amendment requests should be sent with a minimum of a week to allow that work to be done before the committee meeting.

Cynthia Wheeler asked for more information about the Interchange project. Jim Grube said the site is adjacent to the Twins stadium and across from the Haywood transit office and used to be government offices. The building was razed, and a multilevel facility will be built. The Northstar commuter rail will be on one level and will also be served by light rail. The Cedar Avenue bike path will also connect to the Interchange, and a parking ramp will be built as part of the project. The

Interchange is planned to be the western partner to St. Paul's Union Depot. The project has been in the TIP and has federal funding from other sources.

T. Johnson moved to recommend that the TAB adopt an amendment to either the 2012-2015 or the 2013-2016 TIP to include \$6,941,500 for the Interchange project. Steven Hay seconded the motion, and the motion carried.

6. Recommendations of the Federal Program Delivery Work Group

State Aid had significant comments about the proposals for a new program year policy and the scope change consultation process, so the recommendation would be to send the proposals back to the Federal Program Delivery Work Group to address those comments.

T. Johnson commented that he still had concerns about the program year policy and changing rules after project sponsors had already applied for funding when that's not how the region has operated in the past. Pat Bursaw said the region may not have the option to transition between years with a sunset year due to the new transportation legislation (MAP-21) requirements. MnDOT previously managed federal transportation funding statewide as if all money was green; however, MAP-21 rules do not allow MnDOT to continue to do that, and everyone will need to develop a better understanding of the different program requirements in MAP-21. P. Bursaw said the work group shared those concerns about changing the rules midstream for project sponsors.

B. Isaacson moved to send the proposals back to the work group to address the comments received. K. Roggenbuck seconded the motion, and the motion carried.

7. MAP-21 Project Eligibility and Local Program Impacts

Overview

Brian Gage from MnDOT provided handouts of an overview of MAP-21 funding. Overall the total apportionment remains the same for the state (\$625 million), but different funding programs either have shortfalls or are under programmed. The emphasis in MAP-21 shifts to the National Highway Performance Program (NHPP) and the National Highway System. Surface Transportation Program (STP) and Transportation Alternatives (TA – the program that replaces the former Transportation Enhancements program) funding is lower in MAP-21. For the NHPP, there will be two required performance measures, one for minimum pavement condition and one for percentage of bridges that are structurally deficient. We could be penalized and be required to redirect STP funds to highways if we don't meet the minimum pavement condition measure. Reporting requirements are not yet clear. Up to 50% of the NHPP apportionment can be transferred to STP, HSIP, CMAQ, and Metropolitan Planning.

STP funding decreases in MAP-21. The funding formula changed in MAP-21; previously in SAFETEA-LU 62.5% was distributed based on population, and 37.5% was for any area of the state. Now 50% is distributed based on population, with the other 50% available for any area of the state. STP funds are the primary funding source for MnDOT's minor arterials and federal local non-NHS routes. With the new formula, the region would receive at least 55% of the 50% that is distributed based on population; that would probably be a slight decrease from previous funding levels.

MnDOT is working with its partners through a programming work group to address how to implement MAP-21. Partners include 30 representatives from all levels of government – cities,

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counties, MPOs, and federal, in addition to MnDOT staff. There is a separate work group with 30 representatives that will address the new Transportation Alternatives program, which includes Safe Routes to School and Recreational Trails. The work group will make recommendations to MnDOT leadership by the end of November on how the funding should be distributed. The goal is to have these issues decided by December. Guiding principles used by the work group include aligning MnDOT processes with MAP-21 goals and the assumption that MAP-21 requirements will continue beyond 2014 (the current extent of the legislation). Before MnDOT considered all money to be green, but that will no longer work with MAP-21, and new distribution formulas will be needed.

The new Transportation Alternatives (TA) program is funding for the former Transportation Enhancements program, Safe Routes to School, Recreational Trails, with some different eligibility. The overall TA apportionment is less than these formerly-separate programs received in SAFETEA-LU. After the \$2.2 million apportionment set aside for the Recreational Trails program, statewide the TA program will have approximately \$15-17 million, and the region would receive less than \$4 million. A competitive grant process is required for this program funding, which is distributed 50% based on population and 50% to any area of the state.

CMAQ funding has traditionally been distributed to the region and remains largely the same as under SAFETEA-LU. B. Gage said it is unclear if the funding can still be used for transit operations for start-up service; it's one of the top issues to resolve with the program and is being addressed in Washington DC.

The Highway Safety Improvement Program (HSIP) maintains its current structure with an additional requirement for regular updates of the Strategic Highway Safety Plan (SHSP) and more of an emphasis on performance.

Overall, the state is underprogrammed in NHPP and HSIP and overprogrammed in STP and TA, while CMAQ remains stable. MPO planning funds have not increased and now include Mankato.

B. Gage reiterated that MnDOT is committed to the projects programmed in 2013 in the STIP. The state has leftover apportionment from SAFETEA-LU that can help balance the program overall, but that won't be available in future years. MnDOT is working through how to hold the program whole as much as possible. C. Ohrn said that local project sponsors will have to deliver their projects on time more than in the past, when \$40 to 50 million was floated each year. That issue becomes more critical in MAP-21, and money could be lost to the region and state if projects are not delivered on time. B. Isaacson said Met Council and staff will need to become more active in managing the program, such as when sponsors drop projects and create a funding gap in the program. MnDOT will continue to help the region manage the program.

B. Gage distributed a second handout that showed their STIP analysis by MAP-21 category. MnDOT is managing the 2013 program by making necessary shifts from different funding programs. They are also planning to have funding guidance out by the year's end. For 2014-2016 and 2017 and beyond, MnDOT will be looking for our input on how to manage those years. K. Roggenbuck and Amy Vennewitz from the Council are on a MnDOT work group to provide that input, and MnDOT is also looking to that work group to help identify targets for performance measures. The work group representatives were selected from previous MnDOT processes, and

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Lezlie Vermillion from Scott County is the representative from the Association of Minnesota Counties.

B. Gage distributed a third handout outlining the 2014-2016 program imbalances. For the next three years, \$366 million is uncommitted. Pavement condition would need additional funding to meet its targets, and MnDOT will have to decide how much. MnDOT is also working to mesh the program with their long-range state highway investment plan. K. Keel noted that this committee will become more involved with addressing these programming challenges. B. Isaacson said if anyone has questions, please let B. Isaacson, B. Gage, or P. Bursaw know.

CMAQ and TDM

B. Isaacson said the plan had been to do a \$1.5 million CMAQ solicitation for innovative transportation demand management (TDM) projects, but with the overall funding issue, the question is if the region wants to proceed with such a solicitation when it's unclear how the funding imbalances will be handled. This planned additional solicitation would provide additional funding for Transportation Management Organizations (TMOs) to do something different in addition to their regular work. Carl Ohrn said doing a solicitation doesn't make sense; everyone likes the idea of innovative TDM projects, but the region needs to balance its program and pay for what is already committed first.

Kate Garwood pointed out that TMOs are funded differently; TDM is a \$5.5 million regional program among five organizations with stable, but not growing, funding. Without growth in funding, TMOs can't grow and their programs can't change, and the organizations effectively lose funding each year as costs increase but funding remains the same. K. Garwood said that TAB set aside \$7 million for the TDM program, so not doing this \$1.5 million solicitation would cut that program commitment. She didn't want to speak for other TMOs but didn't think they were anxious for a solicitation. However, if the funding is cut overall, she would argue against that until it's figured out. K. Keel confirmed that no action was needed by the committee at this meeting.

8. Committee Comments on "A" Minor Arterial Study

Mary Karlsson said that after the presentation of the "A" Minor Arterial Study at the previous meeting, she is revisiting each committee to gather comments on the study, which will be forwarded to TAB in late November. M. Karlsson briefly reiterated each recommendation of the study and asked for comments on each one.

DRAFT Study Recommendation	TAC Funding & Programming Comments
"A" Minor System and Policy Recommendations	
1. Council and TAB should continue to recognize the importance of the "A" Minor system and its strong connection to regional goals and policy and clarify its purpose in policy.	<ul style="list-style-type: none"> The "B" Minor Arterial system designation does not seem valuable and should possibly be combined with the "A" Minors.
2. Council and TAB should maintain four types of "A" Minors and update their definitions in policy	<ul style="list-style-type: none"> As the four types of "A" Minors are redefined, the updated definitions should include elements such as land use density instead of arbitrary geographic definitions. Augmenters were added as a category so the areas between I-494 and 694 would always receive some share of the Regional

	Solicitation's federal funding.
3. The Council and TAB should complete further analysis of [the MnDOT-Co "A" Minor] investment imbalance and in the next TPP develop strategies for building, managing, and improving all of the Regional Highway System within the context of all transportation system needs.	<ul style="list-style-type: none"> • Strike, "... as appropriate within the context of all transportation system needs." from the recommendation. • There are two ways to address the funding imbalance observed: increase funding or transfer MnDOT "A" Minor Arterials to the Counties or Cities.
"A" Minor Regional Solicitation Evaluation Recommendations	
4. 5) TAB should continue to use the four types of "A" Minor Arterials to help target federal funding to different parts of the Regional Highway System.	<ul style="list-style-type: none"> • The "B" Minor Arterial system designation does not seem valuable
5. 6) As part of the Regional Solicitation Evaluation, the TAB and TAC should: (A) Evaluate MAP-21's effects, (B) Evaluate increasing points for cost effectiveness, (C) Balance max. grant award with funding many projects, (D & E) Find ways to make applying & reporting easier, including online tools	<ul style="list-style-type: none"> • Implementation of MAP-21 should keep the Regional Solicitation's STP program whole based on 2012 funding levels • It is not clear why this set of recommendations is a product of the "A" Minor Arterial System Evaluation Study.
"A" Minor Other Recommendations	
6. (9) Met Council and TAB should forward this study's information to agencies completing other studies affecting the "A" Minor system and should monitor them to respond to potential effects.	<ul style="list-style-type: none"> • The Met Council and TAB should acknowledge the Minor Arterial system is the back up to the Principal Arterial system and part of the regional system working together and produce a study of the implications of current policies for Principal Arterials on Minor Arterial system use and funding needs.

C. Ohrn moved to forward these comments and recommend adoption of the study. T. Schoenecker seconded the motion, and the motion carried. L. Robjent thanked M. Karlsson for the wonderful job she did leading the project team for the study.

9. Other Business

HSIP

Craig Jenson asked if the HSIP-funded projects could move ahead. B. Isaacson said those projects were planned to be amended into the TIP along with the projects selected in the regional solicitation, but that amendment has been delayed due to questions about MAP-21. K. Keel suggested that MnDOT could develop a TIP amendment for the HSIP-funded projects to allow those projects to move forward. K. Keel said that if it is reasonable to move on the HSIP projects separately from the other projects in the regional solicitation to do so after talking with FHWA. K. Roggenbuck clarified that the HSIP projects were not part of the regional solicitation. B. Isaacson said that MnDOT would develop an amendment for the HSIP projects.

10. Adjournment

The meeting adjourned at 4:00 p.m.

Submitted by: Heidi Schallberg