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## MEMORANDUM

TO: The I-35W Solutions Alliance Board of Directors

FROM: Robert J Tennesen

RE: Legislative Report

DATE: October 10, 2013

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### **Legislature**

That legislature is in recess until February 25, 2014.

### **Department of Transportation**

The Commissioner continues to travel state addressing the need to fund Minnesota's transportation infrastructure. No specific funding proposals have been presented.

### **Metropolitan Council**

It is likely that a decision will be made soon on routing the SWLRT and freight line.

### **Meeting of Corridor Coalitions**

A meeting of the 28 corridor coalitions to build support for a long-term solution to transportation funding needs is scheduled for today at The Transportation Alliance Office.

### **Corridors of Commerce**

The memorandum from Tennesen Law of October 3, 2013 to the Solutions Alliance's Technical Committee is attached. Bloomington has indicated that it is preparing a grant application to obtain funding from this program for the I-35W/494 interchange.



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## MEMORANDUM

TO: The I-35W Solutions Alliance Technical Committee

FROM: Robert J Tennessen

RE: MnDOT -Corridors of Commerce Program

DATE: October 3, 2013

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Ryan Peterson has suggestion that the Solutions Alliance consider submitting the I-35W/494 interchange as a project for inclusion in the Corridors of Commerce Program. The \$300 million bonding proposal is divided into five categories: (A) Metro capacity improvement, (B) Interregional corridor capacity improvement, (C) Statewide freight bottlenecks, (D) Main Street enhancements, and (E) Freight system preservation. Our proposal must be submitted by 5 PM October 16, 2013. [Http://www.dot.state.mn.us/corridorsofcommerce/](http://www.dot.state.mn.us/corridorsofcommerce/)

I. Eligibility for each of the categories differs somewhat. The following is a summary of the main criteria. However the information sheet on each category must be reviewed for additional qualifications.

**A. *Metro Capacity***

Projects considered for funding from this program must not currently be included in the State Transportation Improvement Program. Project suggestions will be accepted from interested stakeholders. Projects must be consistent with the Minnesota Go Vision and Guiding Principles and the objectives put forth in the Statewide Multimodal Transportation Plan.

This category will be funded at \$90 to \$150 million – 30 to 50 percent of the total – depending on which projects are ultimately selected.

**B. *Interregional Corridors***

Projects considered for funding from this program must be on IRC routes or supplemental freight routes and must not currently be included in the State Transportation Improvement Program. Project suggestions will be accepted from area transportation partnerships and other interested stakeholders. Projects must be consistent with the Minnesota Go Vision and Guiding Principles and the objectives put forth in the Statewide Multimodal Transportation Plan.

This category will be funded at \$90 to \$150 million – 30 to 50 percent of the total – depending on which projects are ultimately selected.

**C. *Statewide Freight Bottlenecks***

Projects considered for funding from this program must not currently be included in the State Transportation Improvement Program. Project suggestions will be accepted from interested stakeholders. Projects must be consistent with the Minnesota Go Vision and Guiding Principles and the objectives put forth in the Statewide Multimodal Transportation Plan. Projects outside MnDOT’s Metro District must be located on Interregional Corridor (IRC) routes or supplemental freight routes.

This category will be funded up to \$60 million, 20% of the total.

**D. *Main Street Enhancements***

Projects considered for funding from this program must not currently be included in the State Transportation Improvement Program. Project suggestions will be accepted from interested stakeholders. Projects must have local community support and be consistent with the Minnesota Go Vision and Guiding Principles and the objectives put forth in the Statewide Multimodal Transportation Plan. Projects must be located on Interregional Corridor (IRC) routes or supplemental freight routes if outside MnDOT’s Metro District.

This category will be funded at up to \$30 million – up to 10 percent of the total – depending on which projects are ultimately selected.

**E. *Freight System Preservation***

This is the fifth category identified and Commissioner Charlie Zelle’s letter. Previously the document identified “Interregional Corridor System Preservation” as a placeholder.

II. Request of the Technical Committee

A. Please evaluate the categories and recommend which category or categories the Solutions Alliance might be both eligible and in your judgment the most appropriate category.

B. Please consider and help develop the factual basis to justify funding the I-35W/494 interchange from the Corridors of Commerce program.

Attachment:

Ch. 117 2013 session laws and M.S. § 161.088

## Attachment

2013 session laws chapter 117 Article 2 Bonding

Sec. 2. **CORRIDORS OF COMMERCE**     300,000,000

- (a) This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088.
- (b) The appropriation in this section is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual payments to landowners for lands acquired for highway rights-of-way, payments to lessees, interest subsidies, and relocation expenses.
- (c) The commissioner may use up to 17 percent for program delivery.

### **M.S. §161.088 CORRIDORS OF COMMERCE PROGRAM.**

#### **Subdivision 1. Definitions.**

For purposes of this section, the following terms have the meanings given:

(1) "beyond the project limits" means any point that is located:

- (i) outside of the project limits;
- (ii) along the same trunk highway; and
- (iii) within the same region of the state;

(2) "city" means a statutory or home rule charter city;

(3) "program" means the corridors of commerce program established in this section; and

(4) "project limits" means the estimated construction limits of a project for trunk highway construction, reconstruction, or maintenance, that is a candidate for selection under the corridors of commerce program.

#### **Subd. 2. Program authority; funding.**

(a) As provided in this section, the commissioner shall establish a corridors of commerce program for trunk highway construction, reconstruction, and improvement, including maintenance operations, that improves commerce in the state.

(b) The commissioner may expend funds under the program from appropriations to the commissioner that are:

(1) made specifically by law for use under this section;

(2) at the discretion of the commissioner, made for the budget activities in the state roads program of operations and maintenance, program planning and delivery, or state road construction; and

(3) made for the corridor investment management strategy program, unless specified otherwise.

(c) The commissioner shall include in the program the cost participation policy for local units of government.

**Subd. 3. Project classification.**

The commissioner shall determine whether each candidate project can be classified into at least one of the following classifications:

(1) capacity development, for a project on a segment of a trunk highway where the segment:

(i) is not a divided highway, and that highway is an expressway or freeway beyond the project limits;

(ii) contains a highway terminus that lacks an intersection or interchange with another trunk highway;

(iii) contains fewer lanes of travel compared to that highway beyond the project limits; or

(iv) contains a location that is proposed as a new interchange or to be reconstructed from an intersection to an interchange;

or

(2) freight improvement, for an asset preservation or replacement project that can result in:

(i) removing or reducing barriers to commerce;

(ii) easing or preserving freight movement;

(iii) supporting emerging industries; or

(iv) providing connections between the trunk highway system and other transportation modes for the movement of freight.

**Subd. 4. Project eligibility.**

(a) The commissioner shall establish eligibility requirements for projects that can be funded under the program. Eligibility must include:

(1) consistency with the statewide multimodal transportation plan under section [174.03](#);

(2) location of the project on an interregional corridor, for a project located outside of the Department of Transportation metropolitan district;

(3) placement into at least one project classification under subdivision 3;

(4) a maximum length of time, as determined by the commissioner, until commencement of construction work on the project; and

(5) for each type of project classification under subdivision 3, a maximum allowable amount for the total project cost estimate, as determined by the commissioner with available data.

(b) A project whose construction is programmed in the state transportation improvement program is not eligible for funding under the program. This paragraph does not apply to a project that is programmed as result of selection under this section.

(c) A project may be, but is not required to be, identified in the 20-year state highway capital investment plan under section [174.03](#).

**Subd. 5. Project selection process; criteria.**

(a) The commissioner shall establish a process for identification, evaluation, and selection of projects under the program.

(b) As part of the project selection process, the commissioner shall annually accept recommendations on candidate projects from area transportation partnerships and other interested stakeholders in each Department of Transportation district. For each candidate project identified under this paragraph, the commissioner shall determine eligibility, classify, and if appropriate, evaluate the project for the program.

(c) Project evaluation and prioritization must be performed on the basis of objective criteria, which must include:

(1) a return on investment measure that provides for comparison across eligible projects;

(2) measurable impacts on commerce and economic competitiveness;

(3) efficiency in the movement of freight, including but not limited to:

(i) measures of annual average daily traffic and commercial vehicle miles traveled, which may include data near the project location on that trunk highway or on connecting trunk and local highways; and

(ii) measures of congestion or travel time reliability, which may be within or near the project limits, or both;

(4) improvements to traffic safety;

(5) connections to regional trade centers, local highway systems, and other transportation modes;

(6) the extent to which the project addresses multiple transportation system policy objectives and principles; and

(7) support and consensus for the project among members of the surrounding community.

(d) As part of the project selection process, the commissioner may divide funding to be separately available among projects within each classification under subdivision 3, and may apply separate or modified criteria among those projects falling within each classification.

**Subd. 6. Funding allocations; operations and maintenance.**

In identifying the amount of funding allocated to a project under the program, the commissioner may include allocations of funds for operations and maintenance resulting from that project, that are assigned in future years following completion of the project, subject to available funds for the program in those years from eligible sources.

**Subd. 7. Legislative report; evaluation.**

(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.