

April 30, 2020

To: Chair Hornstein and House Transportation Committee Members

We are writing in regard to language proposed for HF976 providing new processes for distributing funds administered through MnDOT from general obligation bonds for the Local Bridge Replacement Program and the Local Road Improvement Program.

Given how badly needed the programs are to replace deficient bridges and repair local roads, we want to make sure there will be no delay in awarding the funds provided to specific projects and getting work moving on these projects. While we greatly appreciate the funding provided for these programs in the 2017 and 2018 bonding bills, no funds were provided in 2019 and a waiting list has developed for the Local Bridge program while projects continue to wait for the Local Road Improvement funding.

We understand the need for transparency and consistency in the distribution of these funds, a goal we all share. To that end, we have worked to support language in existing law that spells out the process and the criteria for distributing the funds. The process has worked well to ensure that project selection is based on the quality of the projects submitted and equitably distributes funds around the state.

For the Local Road Improvement Program, the law provides for input from an Advisory Committee that includes local government representation. The Advisory Committee has worked to ensure that separate percentages are established for county, large city, small city and township projects so like projects compete with each other. The projects submitted are made available, the projects are scored and the projects selected are made public.

For the Local Bridge program, we support current provisions that give priority to matching federal bridge funds as well as language providing a separate fund for bridges with a project cost over \$7 million. The Office of State Aid maintains a five-year master bridge list that considers the sufficiency rating of the bridges and the commitment of local governments to provide the required local match.

Again, we greatly appreciate the funding that has been provided by the legislature for these critical programs and urge your support for \$100 million in GO bonds for the Local Road Improvement Program and \$112 million for the Local Bridge program. We do support reporting on the process that was used to distribute the funds and the projects that were selected as well as the list of submitted projects that were not funded for each cycle that funds are provided.

Thank you,

Minnesota Transportation Alliance
Association of Minnesota Counties
Minnesota Inter-County Association
Minnesota Rural Counties
League of Minnesota Cities
Metro Cities
Minnesota Association of Townships

174.52 LOCAL ROAD IMPROVEMENT FUND

Subd. 3. Advisory committee.

(a) The commissioner shall establish a local road improvement program advisory committee consisting of five members, including:

- (1) one county commissioner;
- (2) one county engineer;
- (3) one city engineer;
- (4) one city council member or city administrator representing a city with a population over 5,000; and
- (5) one city council member or city administrator representing a city with a population under 5,000.

(b) The advisory committee shall provide recommendations to the commissioner regarding expenditures from the accounts established in this section.

Subd. 5. Grant procedures and criteria.

The commissioner shall establish procedures for statutory or home rule charter cities, towns, and counties to apply for grants or loans from the fund and criteria to be used to select projects for funding. The commissioner shall establish these procedures and criteria in consultation with representatives appointed by the Association of Minnesota Counties, League of Minnesota Cities, Minnesota Association of Townships, and the appropriate state agency as needed. The criteria for determining project priority and the amount of a grant or loan must be based upon consideration of:

- (1) the availability of other state, federal, and local funds;
- (2) the regional significance of the route;
- (3) effectiveness of the proposed project in eliminating a transportation system deficiency;
- (4) the number of persons who will be positively impacted by the project;
- (5) the project's contribution to other local, regional, or state economic development or redevelopment efforts including livestock and other agricultural operations permitted after the effective date of this section; and
- (6) ability of the local unit of government to adequately provide for the safe operation and maintenance of the facility upon project completion.

174.50 Subd. 6. Grant criteria; rulemaking.

The commissioner of transportation shall adopt rules consistent with this section that establish criteria for determining priorities and amounts of grants, which must be based on consideration of:

- (1) effectiveness of the project in eliminating a deficiency in the transportation system;
- (2) number of persons affected by the deficiency;

- (3) economic feasibility;
- (4) effect on optimum land use and other concerns of state and regional planning;
- (5) availability of other financing capability; and
- (6) adequacy of provision for proper operation and maintenance after construction.

Subd. 6a.

Subd. 6b. **Bridge costs in smaller cities.**

(a) The commissioner may make grants from the state transportation fund to a home rule or statutory city with a population of 5,000 or less for design, engineering, and construction of bridges on city streets.

(b) Grants may be used for:

- (1) 100 percent of the design and engineering costs that are in excess of \$10,000;
- (2) 100 percent of the bridge approach work costs that are in excess of \$10,000; and
- (3) 100 percent of the bridge construction work costs.

Subd. 7. **Bridge grant program; rulemaking.**

(a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions. Grants under this section are subject to the procedures and criteria established in this subdivision and in subdivisions 5 and 6.