What is the Corridors of Commerce Program?

• The program was created by the 2013 Legislature to achieve the following two goals;
  • Provide additional highway capacity on segments where there are currently bottlenecks to the system.
  • Improve the movement of freight and reduce barriers to commerce.

• It is separate from MnDOT’s regular transportation program and as such has its eligibility and scoring criteria established within the law.
What the Program is Not.

- It is not an alternative funding mechanism for MnDOT’s regular program expansion investments.

- It is not a program that focuses on MnDOT’s traditional needs based investments.
In 2013, the Legislature and Governor provided the authority to sell $300 M in trunk highway bonds for a Corridors of Commerce program.

As a part of the enabling legislation, the law established specific eligibility and scoring criteria.

In 2014, legislation for an additional $31.5 M in Trunk Highway cash for FY 2014 and $25 M in bonds for 2015 was also approved.
The 2017 legislation provided a total of $300 M in bonding for Corridors of Commerce.

In addition, the legislation provided $25 M in cash to the Corridors of Commerce program for each year of the FY 2018-2019 biennium.

That legislation was a change in MnDOT’s base budget, which means the $25 M / year cash to Corridors of Commerce will continue unless changed by a future legislative session.
MnDOT Response

• MnDOT made the decision to program $400 M for the next round of Corridors of Commerce project selections.
  
  • $300 M in bonds
  
  • $50 M in cash from the FY 2018-2019 biennium
  
  • $50 M in cash from the FY 2020-2021 biennium

• If the 2020-2021 biennium cash is legislatively changed and is no longer available, MnDOT will cut $50 M in projects from the selected program.
“The Commissioner must establish a process to identify, evaluate, and select projects under the program. The process must be consistent with the requirements of the subdivision and must not include any additional evaluation criteria.” [161.088 Subd 5 (a)]
MnDOT Response

• Developed a draft scoring and prioritization process specifically for the Corridors of Commerce program based upon the eligibility and evaluation criteria in the law.

• MnDOT took the draft process out for public input and received a lot of input from all across Minnesota.
Public Input Received

• MnDOT received slightly more than 150 e-mails on the draft process with some still coming in.

• MnDOT also received about a two dozen letters and a few phone calls.

• MnSHIP, which guided funding investments many times greater in dollars than C of C, received about 300 total comments when it was out for public input.
Public Input Received

- MnDOT received both written and verbal comments from several legislators, mostly in Greater Minnesota about the draft.

- MnDOT gave a total of eighteen presentations on the draft process, with ATP-7 & ATP-8 taking top honors for having the most people in attendance.

- Discussions in both Greater Minnesota and the Metro got very heated at times regarding the Regional Balance criteria.
What Did We Hear?
Regional Balance Criteria

• MnDOT proposed to apply the regional balance criteria as a division of the funding between the Metro area and Greater Minnesota.

• In previous program funding, MnDOT had applied a soft 50/50 split of the funding between the two regions, but there was no legislative requirement to do so.

• MnDOT asked for public input on what could/should the funding split be and what people thought of its approach to meeting the regional balance criteria.
Regional Balance Criteria

• How MnDOT applies the Regional Balance criteria was the most heated, divisive, and most commented on point of anything else in the draft process.

• Several legislators weighed in, including the Chairs of the Senate and House transportation committees.

• Small outstate businesses like “Dakota Doggy Daycare Hotel and Spa” sent passionate comments objecting to anything other than a soft 50/50 split.
Regional Balance Criteria

There clearly was a geographic tone to the comments.

• Comments from Greater Minnesota were generally focused on nothing less than a 50-50 split for regional balance.

• Comments from the Metro area were generally focused on something beyond a 50-50 split for regional balance.
Continue with the use of a soft 50-50 split of the funding between the Metro area and Greater Minnesota.

- A soft 50-50 split means the funding will be divided approximately 50% for each, but the actual split will be made at a logical break point.

- Metro area is defined as the eight counties covered by MnDOT’s Metro District; Hennepin, Ramsey, Dakota, Scott, Washington, Anoka, Carver, & Chisago.
Partial Funding of Projects

• Several locals asked if there isn’t enough funding to fully fund the next ranked project on the list that they be given time to try and find additional funding to fill the gap by “partially funding” the project before going down farther on the list?

• This issue was concentrated to the metro area.
If the next project on the list needs more funds than is remaining within a region’s soft split, MnDOT will partially fund the project initially.

The submitter of the project will be notified that the project is only partially funded and they will be given 30-days to try to find funding to cover the gap.

If they are unsuccessful, MnDOT will move to the next highest scoring project in the region and repeat if necessary.
Metro area local governments requested MnDOT lengthen the time construction must begin for projects from 4-years to 8-years.

The concern is two projects may both be deliverable in the 4-year timeframe, but may cause traffic conflict if constructed at the same time.
Lengthen 4-year Construction Requirement

• If the construction time frame is lengthened, this would allow the projects to have staggered construction periods and thus limit impacts to the traveling public.

• The Corridors of Commerce law allows for a minimum of three years for construction to begin or a time longer “as determined by the Commissioner”.

4/7/2018
• To the extent possible, MnDOT will try to use innovative delivery and construction methods to try to construct projects within a 4-year time frame.

• However if a selected project/s will cause conflicting traffic issues with other projects (whether that be other Corridors of Commerce projects or regular program projects), MnDOT will use the flexibility within the law to adjust the construction schedule so they do not conflict.
MnDOT initially proposed the scoring system give more weight to Return on Investment and less weight to Economic Impact.

- There are no good models for determining the economic impact of corridor/system level investments in transportation.

- The Economic Impact model MnDOT purchased is very basic and driven by the cost of the project.

- Return on Investment by its design reflects the “transportation benefits” of project versus its cost, so it does reflect some economic impact.
Weighting of Criteria

We received several comments questioning the higher amount of weight given to the Return on Investment criteria and the lower weight given to the Economic Impact criteria for a program that is suppose to be Corridors of Commerce.
Weighting of ROI and Economic Impact
MnDOT Response

• Adjust the point scoring for Return on Investment and Economic Impact so they were balanced.

• Encouraged the future study of other factors and approaches to score points in this criteria.
## Final Scoring Matrix

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Total Points Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Investment</td>
<td>100</td>
</tr>
<tr>
<td>Economic Impact</td>
<td>100</td>
</tr>
<tr>
<td>Freight Efficiency</td>
<td>100</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td>100</td>
</tr>
<tr>
<td>Regional Connections</td>
<td>100</td>
</tr>
<tr>
<td>Policy Objectives</td>
<td>100</td>
</tr>
<tr>
<td>Community Consensus</td>
<td>100</td>
</tr>
<tr>
<td><strong>Maximum Total Points</strong></td>
<td><strong>700</strong></td>
</tr>
</tbody>
</table>

* Please note “Regional Balance” criteria is not scored.
Several local governments commented they would like the opportunity to review and tweak MnDOT’s scope and cost estimate of a recommended project before they are scored and ranked.
• MnDOT is using a consultant to develop the scopes and cost estimates of recommended projects.

• The consultant is working with district staff to get their input and concurrence with the developed scope.

• MnDOT is involving local partners on each project by either including them in with the consultant/district staff meetings or making an opportunity available for them to review and comment on the scope before scoring.
Additional Policy Clarifications

• MnDOT will veto any project that violates federal or state laws.

• All projects are subject to the Cost Participation Policy, but are considered MnDOT initiated projects.

• Projects currently in the STIP that would require a formal STIP amendment to build the recommended project will be considered “not in the STIP” for eligibility purposes.

• For project eligibility, the eight counties mostly covered by the Metro District’s operational boundaries will be considered “metro”.
Where Are We Today?
Where Are We Today?

- On-line submission process closed February 5th.

- Approximately 160 unique and eligible projects were submitted for consideration and scoring by the public, coalitions, and local partners.

- Together they could come to over $5.0 Billion for $400 Million of available funding.
Where Are We Today?

- Local governments have been asked to provide resolutions of support for scoring the Community Consensus category.

- MnDOT is proceeding with scoping and scoring those approximately 160 projects, with a goal to complete most of the work by the end of March.

- By April 16, all local government support resolutions are due and MnDOT will complete the final scoring shortly thereafter.
Where Are We Today?

• We currently anticipate being able to announce the projects and provide the scores for all of the projects sometime near the end April.
Questions or Comments

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Corridors of Commerce Website
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