

November 2, 2020

Ken Ashfeld
Maple Grove City Engineer
12800 Arbor Lakes Parkway
Maple Grove, MN 55369-7064

Carla Stueve
Hennepin County Engineer
1600 Prairie Drive
Medina, MN 55340-5421

Re: 2020 Local Road Improvement Program (LRIP) Legislative Earmark

Dear Mr. Ashfeld,

Congratulations! On October 21, 2020, the governor signed House File 1 into law as Minnesota Laws 2020, 5th Special Session, Chapter 3- H.F. 1. Section 16, Subdivision 8, appropriated \$13,000,000 for a grant to the City of Maple Grove or Hennepin County for work associated with connections between TH 610 and I-94 and the expansion of CR 30. Note that these funds are set to expire on December 31, 2024. See session law text below:

Subd. 8.

Maple Grove; Trunk Highway 610 Local Road Improvements 13,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to the city of Maple Grove or Hennepin County, or both, in amounts determined by the commissioner to acquire right-of-way, predesign, design, engineer, and construct roadway connections between marked Trunk Highway 610 and I-94, and the extension to County Road 30 in Hennepin County. The project includes completion of the update of the environmental impact statement with an environmental assessment for the project.

These earmarked funds will be administered through State Aid and will require execution of an LRIP grant agreement before funds can be accessed. Below is a summary of recommended next steps and a high level description of the required process and timing for execution of one or more LRIP grant agreements.

- Please schedule a kick-off meeting with your District State Aid Engineer (DSAE), me, and appropriate representatives from the city and county in the next few weeks or months. If there will be impacts to the trunk highway system, please include a MnDOT project manager in the meeting as well. Topics at the meeting should include:
 1. Overview by the local agency of the project, including scope, schedule, and anticipated funding sources and how those funds are planned to be applied to the various project components. Different funding sources have different rules.
 2. Process and requirements relative to plan development, and State Aid review and approval.
 3. Minnesota Management and Budget's (MMB) role in administering and releasing funds, and the associated requirement that the local agency demonstrate full funding for all of the work types identified in the appropriation. MMB must concur in the demonstration of full funding before MMB will release the funds. It is this release of funds by MMB that allows MnDOT to encumber the earmarked funds on behalf of the local agency. Please review this requirement prior our meeting, as outlined on pages 12-14 of MMB's Capital Grants Manual:

<https://mn.gov/mmb/debt-management/capital-projects/capital-grants-manual/>

Depending on the complexity of the project and funding plan, we may recommend an early kick-off meeting with MMB as well.

4. LRIP grant agreement requirements and timing. See bullet below for more information.
- One or more LRIP grant agreements, which will be coordinated through my group in State Aid, are required before funds can be accessed by the local agency. These grant agreements can only be executed after MMB has concurred with the local agency's demonstration of full funding and after MMB has released the funds. LRIP grant agreements include terms that allow for payments on a reimbursement basis as part of regular State Aid pay requests.

Each grant agreement will require a funding letter written by my group and an encumbrance letter written by State Aid Finance. After MMB has concurred with the local agency's demonstration of full funding, you will work with your DSAE to provide the necessary documentation that is required for me to issue a funding letter and for State Aid Finance to issue an encumbrance letter. This documentation must differentiate between LRIP bond-eligible and non-bond-eligible items. Please work with your DSAE on making this determination. I can assist as well.

- For earmarks that do not include construction as an eligible work type, the funding letter and encumbrance letter typically are provided concurrently when complete professional/technical related costs are known and have been submitted to my group. If right of way acquisition is an eligible work type and funds are spent on this, the funding letter and encumbrance letter typically are provided concurrently after a right of way acquisition plan has been approved by your DSAE and submitted to my group.
- For earmarks that include construction as an eligible work type, the funding letter is typically provided after the final engineer's estimate is complete and submitted to my group. After bids are opened, you will need to send the low bid documents to your DSAE, State Aid Finance, and my group. State Aid Finance will then write an encumbrance letter with the final funding summary.

You will use the numbers in the encumbrance letter to complete a draft LRIP grant agreement for review by my staff. After the draft grant agreement has been approved by my group, you will obtain board or council action and local agency signatures. You will then send the signed grant agreement to my group for final execution at MnDOT. In most cases, the LRIP grant agreement(s) should be fully executed before work begins, though costs incurred after the earmark effective date are eligible for reimbursement.

Again, congratulations on being selected for legislative funding for your project. I look forward to working with you on the development of your project. Please contact your DSAE to schedule a kick-off meeting, and feel free to contact me during project development as you have grant-related questions.

Sincerely,



Marc Briese
State Aid Programs Engineer

copy: Dan Erickson, Metro District State Aid Engineer