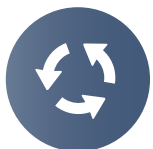




US Highway 8 Reconstruction Project

Submitted by Chisago County, Minnesota

PROJECT BUDGET



Safety



Mobility



Multimodal/ADA



Wildlife



Drainage



Fiber Optics

Project Name **US Highway 8 Reconstruction Project**

Project Type **Rural Capital - Road, Repair/Rehabilitation**

Total Eligible Cost **\$80.5M**

2023 RAISE Funds Requested **\$20M**

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Supporting Information can be found at:

<https://www.srfconsulting.com/chisago-county-mn-us-hwy-8-raise/>



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PROJECT BUDGET

Project Costs

Total Project Cost: \$80.5 million

RAISE Grant Request Amount: \$20 million (25 percent of future eligible project cost)

Availability and commitment of funding sources: This funding request is a critically important piece of the total project package. The engineering design for the US 8 Reconstruction Project (herein known as the Project) has progressed substantially since the submission of this application for FY 2022 RAISE grant. As a result, several design alternatives were refined and subsequently adopted in the MnDOT approved layout. The preliminary design includes three new traffic signals, four new reduced conflict intersections (RCI), one new roundabout (RAB), two new underpasses, pedestrian safety devices such as rectangular rapid flashing beacons (RRFB), and over 8 miles of local roadway improvements along with the required drainage infrastructure.

Chisago County is committed to working closely with local partners including the State Legislature, the Minnesota Department of Transportation (MnDOT) and local communities for the remaining local share. To-date, \$1.8 million from the Minnesota State Legislature has been invested in project development including environmental assessment and project design to advance the US 8 Reconstruction Project. As this phase is completed, the County will continue to

work closely with MnDOT to secure additional funding commitment. MnDOT strongly supports the advancement of this project and has budgeted \$16 million via their [Capital Highway Investment Plan](#) (CHIP) in 2025 and Trunk Highway Bonds from 2020 Legislative

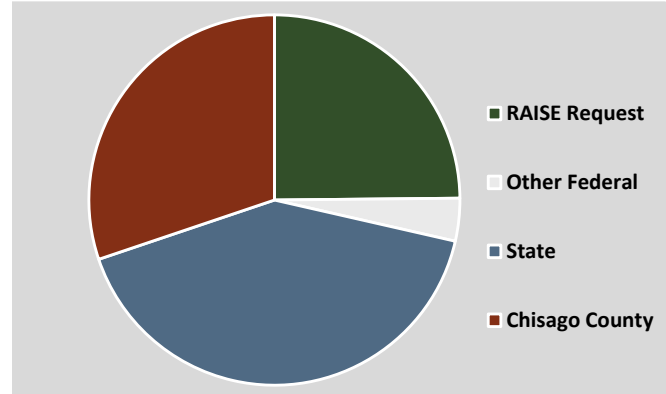


Figure 1 Project Funding Breakdown

session, which will be transferred to the Project upon award of this grant. Chisago County is actively working with the State Legislature and MnDOT on securing funding from the Corridors of Commerce Program, and the awards will be announced on May 1, 2023. Chisago County continues to work very closely with state officials and the Minnesota Governor's office to ensure the uncommitted local match is earmarked for the Project. Table 1 presents the project budget, and a detailed construction cost estimate is available via the [link](#).

Table 1 RAISE Grant Project Budget

Project Element		Project Funding										Total Cost Estimate
		Federal		Other Federal		Non-Federal						
		RAISE		Congressionally Directed Spending Appropriations		MnDOT		Legislature		Chisago County		
		Dollars	Percentage	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage	
Future Eligible Cost	Final Design							\$2,515,600				\$2,515,600
	Construction Cost	\$20,000,000		\$3,000,000		\$16,000,000		\$561,210		\$2,000,000		\$41,561,210
	Miscellaneous Cost (A)							\$6,857,000				\$6,857,000
	Right-of-Way Acquisition							\$5,565,000				\$5,565,000
	Local Road System									\$21,220,000		\$21,220,000
	Contingencies							\$951,190		\$1,082,810		\$2,034,000
	Utility Agreements							\$750,000				\$750,000
	Total Future Costs	\$20,000,000	25%	\$3,000,000	4%	\$16,000,000	20%	\$17,200,000	21%	\$24,302,810	30%	\$80,502,810
	RAISE Participation Rural Project											
		RAISE Request	\$20,000,000	25%								
	Other Federal	\$3,000,000	4%									
	Non-Federal	\$57,502,810	71%									
	Total Eligible Project Costs		\$80,502,810									

(A) Miscellaneous cost includes mobilization, temporary pavement & drainage, construction traffic control, landscaping, and non quantified minor items.

The Project lies across three census tracts and the cost spent in each tract is noted in Table 2 below:

Table 2 Project Cost Over Census Tracts

Census Tract(s)	Project Costs per Census Tract	Percentage
701.03	\$7,176,125	9%
1104.01	\$66,826,836	81%
1105.02	\$8,299,849	10%
Total Project Cost	\$82,302,810	100%

Other Federal Funding Source

Congressionally Directed Spending Appropriations

In FY 2022, Chisago County received \$3 million in Congressionally Directed Spending (CDS) Appropriation Funds through [Representative Pete Stauber](#). These funds will be used towards the construction costs of the Project.

Non-Federal Funding Source

County Funding

Chisago County has served as the champion of the Project for nearly two decades and is committed to ensuring that all uncommitted local funds are identified and assigned to the Project. The County adopted a wheelage tax in 2013 that charges an annual \$10 per vehicle registration fee as well as a 0.5 percent sales tax for transportation projects in 2016. Both funding sources were originally estimated to provide approximately \$2.1 million annually; however, current revenues are approximately \$4 million annually. These are non-federal revenue dedicated toward transportation improvements within the County. In addition, State-Aid funds through MnDOT are available for construction of the local roadway transportation infrastructure. A total of \$6 million in annual allocation are available to Chisago County, City of Forest Lake, City of Chisago City, and City of Wyoming for the construction of the local roadway network. Chisago County will cover the remaining funding gap after the award of RAISE funds, if any.

State Funding



\$16 million/ 20% of Project Costs

MN State Legislature

\$19 million/ 22% of Project Costs

MnDOT has committed \$16 million in non-federal funding to support the Project which is identified in [2023-2026 STIP](#)

MnDOT has programmed that money in 2025 for improvements and preservation (pavement

rehabilitation) throughout the corridor. Since the roadway is a US Highway, future ongoing maintenance and operations of the new facility will be managed by MnDOT. Merit Criteria section "State of Good Repair" provides additional details about MnDOT's operation and maintenance project commitment.

The Minnesota State Legislature has also provided \$11 million in General Obligation bond funding and \$8 million in General Funds toward the project to continue planning and design to ensure the Project is ready for federal funding and subsequent construction. Of these, \$1.8 million have been spent in preliminary design and environmental assessment to advance the project delivery. This funding commitment illustrates the statewide significance of the Project.

Potential Funding - Corridors of Commerce

The Corridors of Commerce (COC) program was created in 2013 when the Minnesota Legislature passed Minnesota Statue 161.088. The goal of the COC program was to focus additional transportation investments in state highway projects that directly and indirectly foster economic growth for the State through the provisioning of construction jobs, enabling of goods to be transported through a

commerce friendly network of corridors, and providing additional mobility to its citizens. The COC program is not part of MnDOT’s regular State Road Construction program and has very specific requirements regarding eligibility, scoring, and prioritization of the projects that are contained within the Statue. As the Project is a great fit under this program, the County has submitted it for funding consideration. The COC funding awards will be announced on May 1, 2023.

RAISE Funding Need

Chisago County, in partnership with MnDOT, has either secured or identified \$57.5 million in non-federal funds and secured another \$3million in federal funds for the Project to-date. If RAISE funding is not awarded, the County will not be able to proceed with construction as planned in 2025 and the Project will continue to be delayed. The

delay will be significant as MnDOT would proceed with a significant investment for pavement preservation of the Project area in 2025 using funds that would otherwise be committed as a match for this grant application. The transportation, climate, and equity challenges being addressed by this Project would be delayed for the lifecycle of the overlay, up to 2040, and the original 1981 roadway would be left in place. The geometry of the roadway would be unchanged which will lead to the projected increase in the crash cost, frequency, and inevitable fatalities. It would also lead to additional costs to local businesses and would further result in a loss economic competitiveness for rural development opportunities. The existing and future mobility challenges along the Project would persist. Securing federal funding for the Project would ensure that the County is able to take full advantage of leveraging additional local funds.

BENEFIT COST ANALYSIS RESULTS

The BCA provides an indication of the economic desirability of a scenario, but results must be weighed by decision-makers along with the assessment of other effects and impacts. Projects are considered cost-effective if the benefit-cost ratio is greater than 1.0. The larger the ratio number, the greater the benefits per unit cost. Results of the benefit-cost analysis are included in Table 3 below. Additionally, the Project benefits under various categories results in the cost benefits/ savings listed in Table 4.

Table 3 Benefit Cost Analysis Summary

	7% Discount
Benefits (2021)	\$133.3 million
Costs (2021)	\$58.9 million
B/C Ratio	2.26

Table 4 Project Benefit

Benefit Categories	Benefit (2021 dollars)
Travel Time	\$20,350,000
Vehicle Operating Costs	(\$9,170,000)
Safety	\$110,980,000
Air Quality	(\$1,770,000)
Quality of Life	\$1,270,000
Maintenance	\$7,110,000
Remaining Capital Value	\$4,550,000
Total	\$133,320,000

SUPPORTING DOCUMENTS

Links to supporting documents are included throughout this narrative. All supporting documents and the RAISE grant application narrative are available to view at the following webpage: <https://www.srfconsulting.com/chisago-county-mn-us-hwy-8-raise/>