

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

# 2020 Capital Budget - 5th Special Session

10/11/2020

All figures in thousands 000's

	Fund	Bonding Arts	
153			153
<b>Department of Transportation</b>			
154			154
See Trunk Highway bonds article as well			
155			155
<b>Local Road and Bridge Programs and Named Grants</b>			
156	<b>GO/TF</b>	<b>75,000</b>	156
<b>Local Road Improvement Fund Grants (roll up row)</b>			
157		70,000	157
Local Road Improvement Fund Grants Undesignated			
158		5,000	158
Township Roads			
159			159
<b>Local Road Named Grants</b>			
160			160
161	GO/TF	1,500	161
Anoka County - East River road & TH 610			
162	GO/TF	8,400	162
Anoka County - US HWY 10 & US HWY 169 Interchange			
163	GO/TF	1,500	163
Anoka County - TH 65 Interchange at 109th Ave			
164	GO/TF	4,000	164
Dakota Co. & ISD 196 - Diffley Road			
165	GO/TF	6,500	165
City of Golden Valley - Douglas Drive & TH 55			
166	GO/TF	13,000	166
City of Maple Grove Local Road around TH 610			
167	GO/TF	1,000	167
McLeod County - Morningside Drive			
168	GO/TF	790	168
City of Oak Park Heights - 60th Street Realignment			
169	GO/TF	1,500	169
Ramsey County - Interstate Highway 35E and County Road J			
170	GO/TF	6,000	170
City of Richfield - 77th Street Underpass			
171	GO/TF	5,500	171
City of Sartell - Street Improvements			
172	GO/TF	14,000	172
Sibley County - Scenic Highway 6 Reconstruction			
173	GO/TF	5,269	173
Scott County - TH 13 and Dakota and Yosemite Interchange			
174	GO/TF	2,000	174
Sherburne County - Zimmerman Interchange			
175	GO/TF	3,000	175
City of Zumbrota - Jefferson Drive (Former US HWY 52)			
176			176
177	GO/TF	30,000	177
Local Bridge Replacement Program			
178			178
<b>Local Bridge Named Grants</b>			
179	GO/TF	52,000	179
City of St. Paul Third Street Kellogg Bridge			
180			180
181			181
<b>Multimodal Programs and Grants</b>			
182	GO	3,000	182
Safe Routes to School Infrastructure Program			
183	GO	4,000	183
Minnesota Rail Service Improvement Program			
184	GO	14,000	184
Port Development Assistance Program			
185	GO	3,000	185
Grassy Point Bridge			
186	GO	2,000	186
Greater Minnesota Transit Capital Program			
187			187
<b>Grants to Political Subdivisions - Airports / Multimodal</b>			
188	GO	1,800	188
International Falls / Koochiching County Airport			
189	GO	11,400	189
City of Rochester - Airport			
190	GO	5,500	190
Thief River Falls Regional Airport - Cargo Aircraft Hangar			
191	GO	1,500	191
City of Hastings - TH 316 Ped & Bike			
192	GO	2,200	192
City of Rogers - Pedestrian and Bike Bridge			
193	GO	2,000	193
Shakopee, City of - US 169 Pedestrian and Bicycle Overpass			
194	GO	10,000	194
Minnesota Valley Regional Rail Authority			
195	GO	1,750	195
City of Northfield - Regional Transit Hub			
196			196