

SD 73 Reconstruction - Improving Mobility, Safety, and Access to the Pine Ridge Reservation

WHITE RIVER TO KADOKA

2023 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program

PROJECT BUDGET

Project Name: SD 73 Reconstruction – Improving Mobility, Safety, and Access to the Pine Ridge Reservation

Project Type: Rural Capital Project

Eligible Project Costs: \$28,742,074

2023 RAISE Funds Requested: \$25,000,000

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Supporting Information can be found at:

https://www.srfconsulting.com/sd-73_248/



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PROJECT BUDGET

PROJECT COSTS

Total Eligible Project Cost: \$28,742,074.76 (Do not include previously incurred costs)

FY 2023 RAISE Grant Request: \$25,000,000 (87 percent of total eligible project costs)

Availability and commitment of funding sources:

The South Dakota Department of Transportation (SDDOT) has prioritized this SD 73 Reconstruction – Improving Mobility, Safety, and Access to the Pine Ridge Reservation Project as its highest FY 2023 RAISE priority project.

The SDDOT is requesting grant funding for the Construction Project Only, estimated to total \$28,742,074.76 at time of each phases implementation. Costs were developed using 90 percent design plans.

This Project is located in a rural area, a historically disadvantaged community, and an area of persistent poverty, so no local match is required. However, the SDDOT has already invested State dollars to see this project completed. Preliminary engineering, environmental documentation, final design, and right of way acquisition has already been or will be completed prior to grant obligation, and grant funding is not being requested for those activities. A Table showing previously incurred costs at time of this application and those anticipated to incur prior to construction / grant obligation can be seen [here](#).

Table 1 Grant Project Costs*

	Phase 1		Phase 2	Funding Source Total	Percent
	PCN 05HV	PCN 08EH	PCN 05U4		
RAISE Grant Funds	\$19,536,763	\$495,984	\$4,967,253	\$25,000,000	87%
NHPP Formula Funds	\$-	\$-	\$3,066,630	\$3,066,630	11%
State Highway Fund	\$-	\$-	\$675,444	\$675,444	2%
Component Total	\$19,536,763	\$495,984	\$8,709,328	\$28,742,075	

* Does not include \$1,708,567 of previously incurred expenses that are not to be included as part of the grant project.

PROJECT FUNDING BY CENSUS TRACT

The Project extends between two census tracts. The southern 2.4 miles of the 8.7-mile project, (27.5 percent), is located in Census tract 9412. This tract is located within the Pine Ridge Reservation, an area of persistent poverty (APP). This area is also identified in Climate and Economic Justice Screening Tool, developed by the White House Council on Environmental Quality (CEQ), as having five indicators of disadvantage including climate change, energy, health, housing, and workforce development. Because the Pine Ridge Reservation is a federally recognized reservation in the United States, the census tract 9412 automatically qualifies as a historically disadvantaged community.

Table 2 Census Tract Indicators

Tract	ACS 2021 Population	Distance	APP	HDC	CEJ
9611	957	6.3 miles along SD 73 and 1 mile of lighting along SD 248	Yes	No	3 indicators: Climate Change, Energy, & Health
9412	1,911	2.4 miles along SD 73	Yes	Yes	5 indicators: Climate Change, Energy, Health, Housing, & Workforce Development

The total project cost was divided across the two census tracts as per USDOT’s guidance. Because both Census Tracts are located in an area of persistent poverty, 100 percent of the project dollars will be used to implement improvements and provide significant benefits for the underserved community in the region.

Table 3 Project Cost by Census Tracts

Census Tract(s)	Project Costs per Census Tract	Percentage
9611	\$ 21,454,765	74.6%
9412	\$ 7,287,310	25.4%
Total Project Cost: \$	\$28,742,075	100%

NON-FEDERAL FUNDING SOURCE

The Project is located in a rural area, a historically disadvantaged community, and in an area of persistent poverty, thus a local match is not required. However, because the project costs exceed the \$25 million maximum request allowable through the RAISE program, SDDOT will provide Federal formula funding from the National Highway Performance Program (NHPP) of \$3,066,630 matched at the 18.05 (sliding scale for South Dakota) percentage of \$675,444.49 in State funding to cover the estimated costs greater than \$25 million.

SDDOT has a demonstrated history of managing federal discretionary grant award funding. SDDOT has dedicated staff to prepare necessary progress reports and management tasks as necessary. SDDOT has prepared a detailed budget for the project that extends through the grant obligation date. Thus, the Department has substantial lead time to reserve/obligate funding for each of the project IDs. State highway projects are a top priority, thus, if funding adjustments are needed, SDDOT will delay lower priority projects to provide adequate funding for the SD 73 Reconstruction – Improving Mobility, Safety, and Access to the Pine Ridge Reservation Project.

RAISE Funding Need

A FY 2023 RAISE request of \$25,000,000 (87 percent of construction project costs) would cover the remaining funding gap. If FY 2023 RAISE funding is not awarded, the Project could experience delays until funding is available. The traveling public including freight carriers, tourists, and residents within an area of persistent poverty and within the Pine Ridge Reservation will not realize the proposed improvements of the SD 73 Reconstruction – Improving Mobility, Safety, and Access to the Pine Ridge Reservation Project, and will not benefit from any of its planned improvements. Higher than average crash rates are likely to persist, and countermeasures to protect non-motorized roadway users will be delayed. The absence of funding would further adversely impact the underserved population in the area.

BENEFIT COST ANALYSIS

The benefit-cost analysis 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 at least 1.0. The larger the ratio number, the greater the benefits per unit cost. Results of the benefit-cost analysis are shown in Table 3.

Table 4 Benefit Cost Analysis Table

	Initial Capital Cost (2021 Dollars)	Project Benefits (2021 Dollars)	Benefit-Cost Ratio (7% Discount Rate)	Net Present Value (2021 Dollars)
No Build vs. Build	\$21.76 million	\$53.29 million	2.45	\$31.54 million

FUNDING DOCUMENTATION

Additional funding documentation including detailed cost estimates for each project ID as well as FY 2023 RAISE Project Description, Merit Criteria, Project Readiness and Benefit Cost Analysis documentation can be found at https://www.srfconsulting.com/sd-73_248/.