

Jurisdictional Transfer

A SYSTEM STEWARDSHIP INVESTMENT

Jurisdictional Transfer is one of the thirteen investment categories of MnSHIP, a fiscally constrained plan MnDOT uses to balance the needs and risks of Minnesota's state highway network. Folios for each investment category describe potential levels of investment and associated outcomes. Through MnSHIP, MnDOT will create an investment direction that guides state highway capital investments for the next 20 years.

INVESTMENT CATEGORY DETAILS

What is Jurisdictional Transfer?

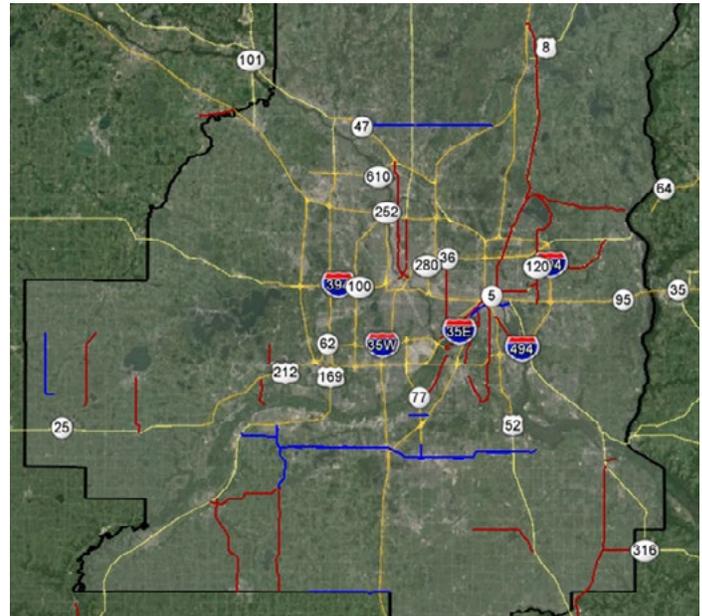
Jurisdictional Transfer is when ownership of a roadway is transferred from one roadway authority to another. For an agency there is significant amount of cost associated with Jurisdictional Transfers because roads are typically brought up to standards or to an acceptable condition. Specifically 'jurisdiction' is the authority and obligation to administer, control, construct, maintain and operate a roadway. When an agency has jurisdiction of a street or highway, that agency is responsible for the upkeep of that facility, including reconstruction, maintenance, and preservation. All of these responsibilities remain with the agency until the jurisdiction is transferred to another roadway authority.

Why is Jurisdictional Transfer important?

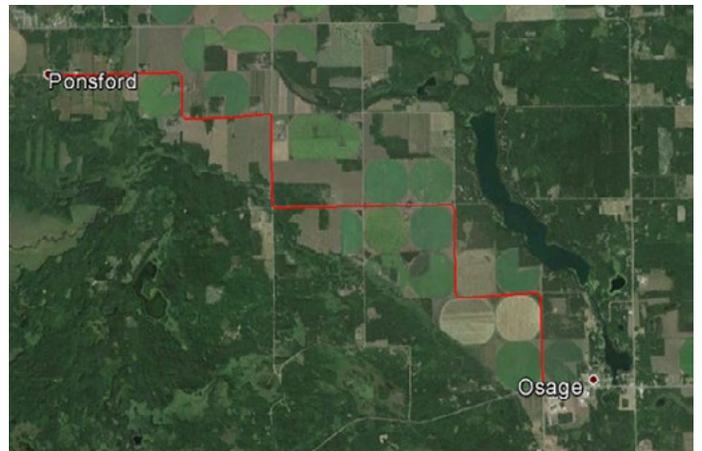
The overall objective of Jurisdictional Transfer is to ensure that Minnesota roads are owned and operated at the right jurisdictional level (i.e. by the right agency). Jurisdictional Transfer is important because properly aligned roads more appropriately provide the right level of service, and better meet customer expectations for maintenance, ride quality, and safety. It's also easier as stewards of the transportation system if costs associated with constructing, operating, maintaining, and replacing roads are better aligned with what is expected for level of service. For example, if MnDOT owns and operates a low-volume, non-National Highway System segment of road that lacks connectivity to the larger state highway system, reconstruction at the end of service life could be delayed. But regionally the segment of road might be important and transferring ownership could allow a local jurisdiction to better meet customer expectations.

How does investing in Jurisdictional Transfer support the Minnesota GO Vision and Statewide Multimodal Transportation Plan?

Investing in Jurisdictional Transfer supports a few of the **guiding principles** laid out in the 50-year vision for the state's transportation system, Minnesota GO. Among those are:



In Minnesota there are 151 potentially misaligned individual roads totaling 2,653 lane miles. Red lines indicate roads owned and operated by MnDOT that could be transferred to local jurisdictions. Blue lines indicate roads owned and operated by local jurisdictions that could be transferred to MnDOT.



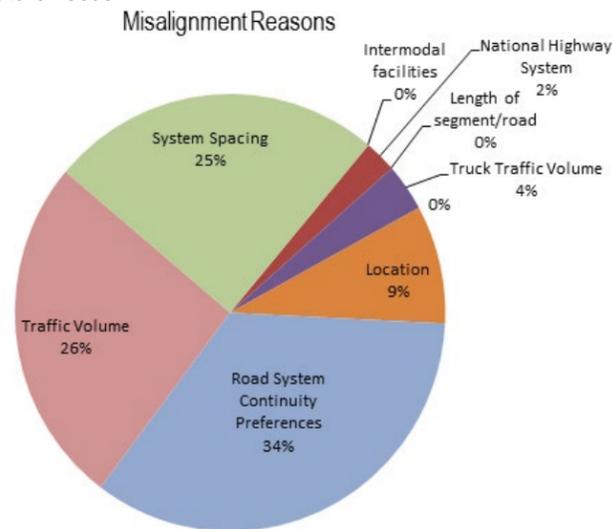
Minnesota State Highway 225 is currently owned and operated by MnDOT and was identified for transfer based on system continuity and spacing, location, traffic volume, length, and road restrictions.

- Strategically fix the system—Some parts of the system may need to be reduced while other parts are enhanced to meet changing demand. Strategically maintain and upgrade critical existing infrastructure.
- Build to a maintainable scale—Consider and minimize long-

term obligations. The scale of the system should reflect and respect the context of the facility.

Building upon these principles, investment in Jurisdictional Transfer strengthens multiple strategies identified in the Statewide Multimodal Transportation Plan (SMTP), notably:

- Better align ownership of Minnesota’s roadways with statewide, regional, and local priorities—Working with critical partners, including cities, counties, and townships, MnDOT has completed a comprehensive review of current roadway use and ownership and identified barriers to making ownership changes. Recommended adjustments will allow project selection to better reflect priorities at all levels.
- Prioritize maintaining and operating assets on identified priority networks—Based on revenue projections, it will not be feasible to maintain all assets in current condition or better over the next 20 years. Given this outlook, MnDOT will work with its partners to define priority networks based on connectivity and accessibility and invest in these assets accordingly. MnDOT will maintain priority networks to a higher standard than the rest of the system.
- Keep Minnesota’s transportation system on a sustainable track for the future—It’s important to make capital, operations, and maintenance investment decisions by considering impacts to the state’s economy, environment, and quality of life. Considering these potential impacts before making decisions allows the system to change over time to address present and future needs.



How does MnDOT measure performance in Jurisdictional Transfer?

MnDOT does not currently measure performance in Jurisdictional Transfer. As part of the recently completed Minnesota Jurisdictional Realignment Project, MnDOT did establish tracks for misaligned

segments of roads based on the simplicity or ease of transfers. Segments in Track 0 include segments that have been transferred or agreed upon, and funds have been committed. Segments in Track 1 are routes that would be simpler to transfer due to the current condition and prior discussions between jurisdictions. Segments in Tracks 2 and 3 include medium effort-complexity and most difficult-complexity to transfer. Using these tracks, including segments and mileage transferred is a logical starting point for measuring performance in Jurisdictional Transfer.

How does MnDOT typically invest in Jurisdictional Transfer?

The state constitution established the Highway User Tax Distribution Fund (HUTDF) consisting of the proceeds of any taxes on motor vehicles and motor fuel. Minnesota Statutes 161.081, Subd. 3 established the Flexible Highway Account (flex account) that is 53.5 percent of 5 percent of the HUTDF (2.68 percent of the total HUTDF). Jurisdictional Transfers are given first priority for the use of funds from the flex account. Current commitments and demand will fully utilize the funds for several years.

Where is MnDOT headed?

MnDOT has recently coordinated with local partners to identify and transfer 75 miles of roads. Approximately \$225 million will be leveraged from HUTDF flex account to pay for committed transfers that are programmed. Remaining projected revenue over the next 20

Tips for using the table to the left

Performance Levels

- **Performance Level 0 (PL 0)** represents a strategy which corresponds to the most extreme risk level MnDOT would consider for investing in Jurisdictional Transfer.
- MnDOT’s current spending in Jurisdictional Transfer approximately corresponds to **PL 0**.
- Cost + benefit increase and risks decrease from left to right.
- PLs for Jurisdictional Transfer are independent of other performance categories.

Investment Approach

- See **MnSHIP Investment Approaches** folio

- #### Investment Levels
- The **pie charts** represent MnSHIP’s total planning investment for years 2022-2037 (\$17.1 billion) and the portion of it which will be dedicated to Jurisdictional Transfer investment at each PL.
 - **Base investment for other categories** is the amount required to invest at PL 0 in every other category.
 - **Remaining revenue available** is the additional investment beyond the base investment for all categories in MnSHIP.

- #### Outcomes
- Highlights key outcomes associated with each PL. For Jurisdictional Transfer, outcomes correspond with key performance measures.

- #### Risks
- Identified as **high, medium, or low** in each PL; each risk decreases in severity from left to right.

- #### System Investment Strategies
- Details the steps MnDOT would make to mitigate risk at each PL.

years from the HUTDF flex account, minus committed funds, will be close to \$750 million, which will not be enough to transfer all of the misaligned roadway segments. MnDOT will continue to work with our partners to agree on and commit to transfers, as identified in the 2014 Minnesota Jurisdictional Realignment Project report.

How did MnDOT create the investment levels?

The performance levels outlined in the table represent plausible investment levels for Jurisdictional Transfer. A risk-and performance-based analysis was undertaken in the summer of 2015 to illustrate potential future scenarios. Performance levels reflect investments between 2022 and 2037 (2018-2021 funding

Jurisdictional Transfer			
Overarching Goal: Ensure that Minnesota roads are owned and operated at the right jurisdictional level to maximize efficiency of operations.			
Performance Objectives: Repair and improve misaligned and underserved roads, and transfer segments to the correct agency/jurisdiction (i.e. owner).			
	Performance Level 0	Performance Level 1	Performance Level 2
	<i>Lowest cost, greatest risk</i>	<i>Lower cost, higher risk</i>	<i>Greater cost, lower risk</i>
Investment Approach <i>(See Approaches Folio)</i>	Approach A, C Corresponds with current investment	Approach B	PL does not correspond with an Investment Approach
Investment Level <i>Total</i> Years 5-10 (2022-2027) Years 11-20 (2028-2037)	\$0 M \$0 M/yr \$0 M/yr 	\$186 M \$9.2 M/yr \$13.1 M/yr 	\$1,141 M \$56.5 M/yr \$80.1 M/yr
Investment Description	Continue to invest in transfers only using Highway User Tax Distribution Fund (HUTDF) ‘flex funds’ to implement misalignments identified in the 2014 Minnesota Jurisdictional Realignment Project report. No MnSHIP funds.	Invest to implement tracks 0 and 1, and 75% of track 2 of the 2014 Minnesota Jurisdictional Realignment Project report. Assumes use of ‘flex funds’ as stated in PL 0 plus additional capital (shown above).	Invest to implement tracks 0, 1, 2 and 3 of the 2014 Minnesota Jurisdictional Realignment Project report. Assumes use of ‘flex funds’ as stated in PL 0 plus additional capital (shown above).
Outcomes <i>To what extent would MnDOT meet performance targets for Jurisdictional Transfer?</i>	<ul style="list-style-type: none"> • Repair/transfer 75 centerline miles of Track 0 roadways (funds committed) • Potential for transfer of approximately 830 centerline miles of Track 1 and 2 roadways using projected HUTDF flex account funds. 	<ul style="list-style-type: none"> • Repair/transfer 75 centerline miles of Track 0 roadways (funds committed) • Repair/transfer 568 centerline miles of Track 1 roadways • Repair/transfer 340 centerline miles of Track 2 roadways (75% of total identified) 	<ul style="list-style-type: none"> • Repair/transfer 75 centerline miles of Track 0 roadways (funds committed) • Repair/transfer 568 centerline miles of Track 1 roadways • Repair/transfer 454 centerline miles of Track 2 roadways • Repair/transfer 159 centerline miles of Track 3 roadways
Risks	Medium <ul style="list-style-type: none"> • Roads that serve a local purpose are not meeting local expectations for safety, condition, and maintenance performance. • Misaligned roads divert funds from roads with statewide significance and/or higher traffic volumes. • Misaligned road’s repair needs are deferred resulting in inefficient use of limited resources. 	Low <ul style="list-style-type: none"> • Roads that serve a local purpose are not meeting local expectations for safety, condition, and maintenance performance. • Misaligned roads divert funds from roads with statewide significance and/or higher traffic volumes. • Misaligned road’s repair needs are deferred resulting in inefficient use of limited resources. 	Low <ul style="list-style-type: none"> • Roads that serve a local purpose are not meeting local expectations for safety, condition, and maintenance performance. • Misaligned roads divert funds from roads with statewide significance and/or higher traffic volumes. • Misaligned road’s repair needs are deferred resulting in inefficient use of limited resources.
System Investment Strategies <i>What strategies would MnDOT use to manage risk?</i>	<ul style="list-style-type: none"> • Leverage constitutionally dedicated funding • Identify and commit to misaligned segments of roads in Track 0 of 2014 Minnesota Jurisdictional Realignment Project report; Potential for commitment to Tracks 1 and 2 • Program transfers based on a 50/50 split between metro and greater Minnesota projects 	<ul style="list-style-type: none"> • Leverage constitutionally dedicated funding • Identify and commit to misaligned segments of roads in Tracks 0, 1 and most of Track 2 of 2014 Minnesota Jurisdictional Realignment Project report • Program transfers based on a 50/50 split between metro and greater Minnesota projects 	<ul style="list-style-type: none"> • Leverage constitutionally dedicated funding • Identify and commit to misaligned segments of roads in Tracks 0, 1, 2, and 3 of 2014 Minnesota Jurisdictional Realignment Project report • Program transfers based on a 50/50 split between metro and greater Minnesota projects

levels influenced by 2013 MnSHIP). PL 0 through PL 2 represent a range of options to help stakeholders and decision-makers understand outcomes, risks, and system investment strategies for Jurisdictional Transfer.

What risks are addressed through increased Jurisdictional Transfer Investment?

Generally, the more MnDOT invests in Jurisdictional Transfer, the more MnDOT is able to reduce these key risks for roadway owners and users of the system:

- Roads that serve a local purpose are not meeting local expectations for safety, condition, and maintenance performance.
- Misaligned roads divert funds from roads with statewide significance and/or higher traffic volumes.
- Misaligned road's repair needs are deferred resulting in inefficient use of limited resources.

How is MnDOT enhancing financial effectiveness through Jurisdictional Transfer investment?

Recent Jurisdictional Transfer agreements between MnDOT and counties, cities, and townships throughout Minnesota mean that MnDOT has already committed to transferring 75 miles of roads. Realignment of road ownership often means significant investment to upgrade a facility to an acceptable standard or condition. It is realized, however, that long-term MnDOT and local government will begin to see capital, maintenance,

and operations savings from being able to prioritize the right investment on the right road.

Using the findings and recommendations of the 2014 Minnesota Jurisdictional Realignment Project report, MnDOT aims to maximize the amount of Jurisdictional Transfers and manage risks using the following strategies:

- Leverage constitutionally dedicated funding—MnDOT will continue to leverage approximately a billion dollars over the next 20 years from the Highway User Tax Distribution Fund flex account.
- Identify and commit to misaligned segments of roads based on the simplicity or ease of transfers—MnDOT will work with its partners to implement the findings and recommendations of the Minnesota Jurisdictional Realignment Project report, which will help realize long-term savings.
- Program transfers based on a 50/50 split between metro and greater Minnesota projects—MnDOT State Aid will continue to work closely with Metro and Greater Minnesota Districts to make sure that identified funding can be programmed as it becomes available.



A significant amount of cost associated with Jurisdictional Transfers occurs because roads are typically brought up to standards or to an acceptable condition.



Find more information with these additional folios!

Asset Management

- Pavement Condition
- Bridge Condition
- Roadside Infrastructure Condition
- Facilities

Traveler Safety

- Traveler Safety

Critical Connections

- Twin Cities Mobility
- Greater Minnesota Mobility

- Bicycle Infrastructure
- Accessible Pedestrian Infrastructure

Transportation In Context

- Regional + Community Improvement Priorities

Other

- Project Delivery
- Small Programs

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