

Local Partnerships

MnDOT estimates \$30-33 billion in available funding for the state highway system over the next 20 years. A minimum of \$23.5 billion is needed to manage highest risks and meet legal requirements. This folio provides information on potential Local Partnerships investment strategies, funding levels, and outcomes for the estimated \$7-9 billion of remaining investment.

1 | WHAT IS LOCAL PARTNERSHIPS?

The Local Partnerships category incorporates investment strategies and programs that involve local collaboration and planning. Investments support local priorities on the state highway system where MnDOT partners with local communities to deliver improvements to the state highway system such as landscaping/beautification projects, improvements supporting economic development, safety, and improvements that help to integrate the highway into the local community and improve livability. The category also includes highway ownership realignment agreements where the roadway is transferred from one roadway authority to another.

GOAL AND OBJECTIVES OF INVESTMENT

The goal of Local Partnerships is to respond to regional concerns and collaboration opportunities to support economic competitiveness, quality of life, and equity. In practice, Local Partnerships ensure roads are owned and operated at the right jurisdictional level, coordination with local partners is flexible, inequities in transportation are reduced, safety is enhanced, and economic growth is supported.

TYPES OF IMPROVEMENTS

The Local Partnerships category supports jurisdictional transfer investments which transfer road ownership from the state to local and county governments. Aligning roads with the correct level of service helps road owners 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.

The Transportation Economic Development program gives grants to roadway projects that improve regional economic competitiveness and support new jobs. Previous grant winners include US 169/101st Avenue North Interchange in Brooklyn Park, estimated to be completed in 2022, and the Highway 23 and River West intersection signalization to be completed in fall of 2022.

MnDOT also partners with local governments to fund landscape beautification adjacent to roadways, to construct highway improvements that are at mutually beneficial locations, and to support livability initiatives.

HOW DOES MNDOT CURRENTLY SELECT LOCAL PARTNERSHIPS IMPROVEMENTS?

The Local Partnership category is a collection of programs; each has its way of selecting projects. For example, roadway transfers rely on MnDOT negotiating with the receiving agency and restoring the road to an acceptable condition before transferring. TED is a competitive application process that scores project economic benefits and trunk highway modifications. Landscaping agreements are contingent on location and available MnDOT funds. The Local Partnership Program is competitive and requires a selection committee, scoring criteria, and various other factors. Livable Community partnerships are driven by the livability framework that prioritizes public health, environment, economics, sense of place, safety, meaningful physical, social, and cultural community connections, equity, and community trust.





2 | WHY IS INVESTING IN LOCAL PARTNERSHIPS IMPORTANT?

Investment supports the state transportation goal to provide multimodal and intermodal transportation facilities and services to increase access for all persons and businesses and to ensure economic well-being and quality of life without undue burden placed on any community. The investment in Local Partnerships also addresses local priorities on the state highway system and builds public trust and working relationships with local communities across the state.

Investment in Local Partnerships assists MnDOT and local communities in delivering a well-rounded program that advances objectives for which MnDOT may not have statewide performance targets such as economic competitiveness, quality of life, and community livability.

Through jurisdictional transfer investments, MnDOT and local partners can better align roadway ownership between the state, county, and cities to maintain the roadway and make improvements to meet the public expectation and traveler safety. For example, there are several low-volume segments of road that are a lower priority for funding compared to other state highways. In that case, it may take a while for it to be repaired or upgraded. However, regionally, the road segment might be significant, and transferring ownership could allow a local jurisdiction to meet customer expectations better.

HOW DOES LOCAL PARTNERSHIPS SUPPORT EQUITABLE OUTCOMES?

Local Partnership programs support equitable outcomes because they are designed to fill the gaps in MnDOT's services. Local jurisdictions have a good sense of what their communities need. Programs such as TED, roadway beautification, and local partnerships empowers

communities to address their issues.

HOW DOES MNDOT MEASURE PERFORMANCE, CONDITION, OR OUTCOMES?

MnDOT measures outcomes for local partnerships in several ways. For jurisdictional transfer, MnDOT tracks the miles of roadway transferred to other jurisdictions. For TED, MnDOT counts the number of projects funded, jobs supported through transportation investment, and leveraged local and private funds. For the Local Partnership Program, MnDOT tracks the number of projects partnered on and leveraged funds. For landscape partnerships and municipal agreements, MnDOT tracks the miles of roadway with green infrastructure improvements.

HOW IS MNDOT PLANNING FOR STATE MATCHES FOR COMPETITIVE SOLICITATIONS AND EARMARKED PROJECTS?

The recently passed federal transportation infrastructure bill, Infrastructure Investment and Jobs Act (IIJA) includes several competitive funding programs. The states, Metropolitan Planning Organizations, counties, cities, and tribal governments are eligible to apply and additional funding for state highway projects could be awarded. These competitive programs would require the state to provide a match to federal funding. MnDOT is setting aside \$230 million in MnSHIP for anticipated state funding match. This state match could also be used for projects earmarked in federal or state bills as well as projects selected from the Met Council's Regional Solicitation.

3 | OPTIONS FOR INVESTING OVER THE NEXT 20 YEARS



4 | LOCAL PARTNERSHIPS RISKS

WHAT ARE THE RISKS OF UNDERINVESTING?

As a part of developing performance levels for various programs and strategies, MnDOT also identified the risk to underinvesting in Local Partnerships. Four risks were identified as low to high risks based on investment at the minimum level for all Local Partnerships strategies. The four risks and their impacts are identified below.

MEDIUM RISKS

Risk: Inability to capitalize on opportunities to advance economic competitiveness and address local priorities

Impact: Could erode relationships with local partners and result in less collaboration, coordination, and long-term planning

Risk: Continue to manage roadways which could be more effectively managed by local governments

Impact: Likely results in an inability to meet public expectations or could divert funding from projects on higher volume state highways to minimally maintain these roads

Risk: Funding unavailable to facilitate an agreed transfer with local governments

Impact: Highway likely to remain a planning, preservation, and operational liability for MnDOT

LOW RISKS

Risk: Additional investment to add infrastructure to the state highway system that may not be the highest priority and may not see the intended benefits

Impact: Likely to fund improvements that have a lower return on investment and lead to increased system maintenance costs to MnDOT

WHAT LEVELS OF INVESTMENT REDUCES THE RISKS' SEVERITY?

The table below provides a summary of how risk levels changed with increased investment in Local Partnerships.

RISK STATEMENT	SHIFTS FROM MEDIUM TO LOW RISK
Inability to capitalize on opportunities to advance economic competitiveness and address local priorities	Investment Level 3
Continue to manage roadways which could be more effectively managed by local governments	Investment Level 2
Funding unavailable to facilitate an agreed transfer with local governments	Investment Level 3

The fourth risk behaves the opposite to the first three risks. It increases in likelihood and risk rating with additional investment. Through competitive funding programs, MnDOT selects projects with the highest benefits. With additional investment, MnDOT will be able to select more projects which might not have as high of benefits or return on investment. At the highest level of investment, this risk would be a medium level risk.



To find out more details about Local Partnerships planning and programs, go to:

Transportation Economic Development Program:
www.dot.state.mn.us/funding/ted/index.html

Local Partnership Program:
www.dot.state.mn.us/stateaid/lpp.html

Landscaping Partnerships:
www.dot.state.mn.us/roadsides/partners/index.html

For more information, contact:

Brad Utecht, AICP
Project Manager, 20-year State Highway Investment Plan
Minnesota Department of Transportation
395 John Ireland Boulevard, MS 440
St. Paul, MN 55155-1899
651.366.4835
bradley.utecht@state.mn.us