

Highway 25 Coalition

Agenda

Thursday, March 30, 2017

7:30 AM

North Mississippi Room, Monticello City Hall

- 1. Call to order**
- 2. Consideration of approval of meeting minutes from meeting held February 23, 2017**
- 3. Update on Highway 25 Corridor Study**
- 4. Update on Comprehensive Economic Development Strategy (CEDS) Program.**
- 5. Update on Monticello Downtown Planning Study**
- 6. Transportation and related Economic Development or Land Use Updates**
 - **Becker**
 - **Becker Township**
 - **Big Lake**
 - **Big Lake Township (Fiscal Agent)**
 - **Monticello**
 - TH 25/7th Street Intersection Project Update
 - **Sherburne County**
 - **Wright County**
- 7. I94 Coalition Update**
- 8. Legislative Updates**
- 9. Other**
- 10. Adjourn**

Highway 25 Coalition
Meeting Minutes – February 23, 2017
7:30 AM
Monticello Community Center – North Mississippi Room

Members Present - **Big Lake Township** - Bob Hofer, and Larry Alford; **Sherburne County** – Tim Dolan, Steve Taylor, Ewald Petersen, and Andrew Witter; **Wright County** – Mike Potter and Virgil Hawkins; **City of Becker** – Tracy Bertram, Rick Hendrickson, and Greg Pruszinske; **Becker Township** – Brian Kolbinger; **City of Big Lake** – Clay Wilfahrt, Raeanne Danielowski, and Layne Otteson; and **City of Monticello** – Brian Stumpf, Jeff O’Neill, and Jennifer Schreiber

Others Present – **MnDOT** – Claudia Dumont; **BNSF** – Justin Pearson; **Tom Emmer’s Office** – Stacy Morse

1. *Call to order.*
2. *Consideration of approval of meeting minutes from meeting held January 26, 2017.*

Motion made by Bob Hofer and seconded by Tim Dolan to approve the minutes from the meeting held January 26, 2017. Motion passed unanimously.

3. *Update on Highway 25 Corridor Study Request for Proposals*

Andrew Witter gave a brief overview of the request for proposals and provided a summary sheet of the three proposals that were received for the Highway 25 Corridor Study. The three entities were SRF, HDR, and WSB/Bolton & Menk. The summary sheet provided listed each proposal’s strengths and weaknesses by evaluating the following items: schedule; overall proposal; project management; data collection; developed purpose and need; develop public communication plan; develop issues map; identify environmental issues; traffic modeling; research additional river crossings; road/bridge concepts; open houses; refine preferred option; phasing plan; and final report. The committee which consisted of Andrew Witter, Claudia Dumont, and Virgil Hawkins were all in agreement that SRF provided the best all-around proposal. HDR had some good points but lacked in areas such as social media – where they would charge extra for the service. They were all in agreement that the WSB/Bolton & Menk proposal fell short of expectation and was disappointing. They all expressed concern that it appeared rushed and lacked content. There was discussion amongst the group on how to proceed with the selection. Andrew Witter, Claudia Dumont, and Virgil Hawkins, all felt comfortable choosing SRF. Jeff O’Neill commented that he thinks the group, or a committee, should interview the top two out of responsibility. Many in the group felt that interviewing wasn’t necessary because they trust the selection committee’s choice. Mike Potter added that SRF has done studies on the I-94 Corridor in the past and is knowledgeable on the area and project. Tim Dolan and Raeanne Danielowski added that they didn’t see a value in interviewing the consultants.

Motion made by Mike Potter and seconded by Raeanne Danielowski to accept and approve the SRF proposal for the Highway 25 Corridor Study. Motion carried

unanimously. Motion was made by Tracy Bertram and seconded by Tim Dolan to authorize the execution of a contract between the Highway 25 Coalition and SRF. Motion carried unanimously. The contract should be sent to Big Lake Township for processing and will be provided at the next meeting. Andrew Witter added that any questions about or to the consultant should be forwarded to him.

4. *Update on Comprehensive Economic Development Strategy (CEDS) Program.*

Steve Taylor stated that the next CEDS meeting is February 27 in Becker from 2:30 – 4 p.m. There will be an update at the next meeting.

5. *Transportation and related Economic Development or Land Use Updates*

- **Becker Township** – Natural Gas Power Plant Legislation has been approved in both the House and the Senate.
- **Becker Township** – None.
- **Big Lake** – Continued discussion has taken place with developer who has interest in the potential rail yard site. Big Lake introduces their new City Engineer Layne Otteson. Clay Wilfahrt commented on how single family homes are increasing in the City.
- **Big Lake Township** – None.
- **Monticello** – Brian Stumpf noted that Monticello secured \$2.1 Million grant for the Fallon Avenue Overpass project.
- **Sherburne County** – Andrew Witter commented on the \$1 Million grant Sherburne County received. Steve Taylor noted that the County is seeing a growth in housing.
- **Wright County** – Mike Potter relayed that the County hired BKE as their Engineer for the County's new court system that is being built. Mr. Potter also commented that the County is proceeding with a sales tax proposal to help fund road projects.

6. *I-94 Coalition – Corridors for Commerce Update*

Mike Potter noted that there wasn't any new information for this update.

7. *Status of Membership approval of recent modification to JPA enabling addition of Becker Township and City of Becker*

Members were encouraged to submit their signature page if they have not done so. Big Lake Township will be sending out invoices for membership.

8. *Other.*

- Brian Stumpf noted that the Monticello Orderly Annexation Area Board voted to not allow solar in the orderly annexation area.
- Claudia Dumont stated that the bridge on Highway 10 over Lake Orono in Elk River is being replaced. This is scheduled to begin this summer.

- Tracy Morse, Emmer's Office, recommended that cities look into grants that are available to fund transportation issues. She also mentioned that there is a 'Pancakes with Emmer' event on February 24 at the Friendly Buffalo in Big Lake.

9. *Adjourn.*

By consensus meeting was adjourned at 8:30 a.m.

Transportation Alliance Summary

3/25/2017

The House and Senate Republican caucuses have released transportation plans. Neither plan includes any increase in dedicated transportation fees or taxes (other than a \$75 increase in the annual registration tax for all-electric vehicles in the House bill). Both plans rely on statutorily dedicating existing sales tax revenue that is currently deposited in the state's general fund. Both plans ignore transit needs in the state. The House plan provides about \$580M in additional funding for transportation for the FY18-19 biennium along with authorization for \$1.3 billion in trunk highway bonds over 4 years. The Senate bill provides additional resources of \$400 million for the biennium along with \$325 million in trunk highway bonds over 4 years.

MnDOT has identified a funding gap of \$600M per year for the next 10 years between anticipated revenue – including increased federal funding – and the amount of revenue needed to maintain and improve the system. In addition, the local system faces a larger annual funding gap – closer to \$900M per year. Transit systems face a funding gap of \$65 million for existing service and the state share for major transitways is needed in order to move ahead with any light rail transit projects.

The House bill (HF861) creates a new Transportation Priorities Fund that would receive the following dollars currently going into the general fund:

- Existing tax on auto parts (partial) \$307M in FY18-19 two-year biennium or \$156.8M in FY18 and \$151.1M in FY19.
- Existing tax on auto rentals (9.2%) \$52.3M for the FY18-19 biennium
- Existing sales tax on auto rentals (6.5%) \$36.9M for FY18-19 biennium
- Motor vehicle lease sales tax \$64M for FY18-19 biennium
- Depositing \$136.6M in general fund dollars
- Re-directing existing motor vehicle lease tax dedicated to transportation: \$129.8M
- TOTAL: \$579.8M for two-year biennium**
- Starting in FY2021, re-directs a \$10 fee imposed on motor vehicle registration and title transfer to the Transportation Priorities Fund instead of the Environmental Fund.

Distribution of \$579.8M

- Trunk Highway Fund - \$203.234 or \$106.548M in FY18 and \$96.686M in FY19
- CSAH - \$95M or \$49.837M in FY18 and \$45.224M in FY19
- MSAS - \$29.5M or \$15.467M in FY18 and \$14M in FY19
- Town roads and bridges: \$8M or \$4M per year
- Turnbacks - \$9.2M or \$4.8M FY18 and \$4.3M FY19
- Small Cities Assistance program: \$25M for biennium
- Local Bridge program: \$24.7M for biennium
- \$2.7M Greater MN Transit
- \$2.7M five collar counties
- Trunk Highway Bonds: \$1.3B with **\$250M in FY18 for Corridors of Commerce** (\$50M in state road construction funds in FY18-19 is set aside for Corridors of Commerce) and \$250M each year for 4 years for state road construction with an additional \$50M in trunk highway bonds for state road construction in FY18 and FY19.

The House bill includes significant cuts to transit funding in the Twin Cities Metropolitan Area leaving a funding shortfall for current transit service. The bill prevents a county or city in the Twin Cities area from spending any funds for study, project development or construction of a light rail transit project unless the project is specifically authorized by the legislature. Language prevents the Metropolitan Council from using certificates of participation or other obligations backed by MVST revenue. The bill eliminates the current requirement that the state cover 50% of transitway operating costs for any future light rail projects, shifting that cost to CTIB or metro counties.

The Senate bill (SF1060) statutorily dedicates:

- Existing sales tax on auto parts: \$247M for FY18-19 biennium or \$123.5M per year
- Existing sales tax on rental cars (6.5%) \$37M for biennium or \$17.2M in FY18 and 19.7M in FY19
- Existing sales tax on rental cars (9.2%) \$52M for biennium or \$24.4M in FY18 and \$27.9M in FY19
- Existing motor vehicle lease sales tax \$64M for biennium or \$32M per year

TOTAL: \$400M for two-year biennium

Distribution:

- \$226M Trunk Highway Fund
 - \$106M CSAH
 - \$33M MSAS
 - \$10M one-time Small Cities assistance
 - \$3.3M Greater MN Transit
 - \$3.3M five collar counties
- Trunk Highway Bonds: \$325M over 4 years with \$200M for Corridors of Commerce and \$125M for Highways 212, 14 and 12.
 - Re-directs \$117M in turnback account to Trunk Highway Fund

Both bills contain weight limit exemptions – 10% increase for trucks hauling milk -- and an annual permit from MnDOT for trucks with additional axles hauling 90,000 and 97,000 lbs if hauling construction materials.

Both bills contain policy language requiring changes in MnDOT's highway project selection process as well as numerous studies.

Language requires MnDOT to develop best practices for highway project selection processes, for both standard highway program and specialty programs such as Corridors of Commerce which must be implemented by January 1, 2018. MnDOT is required to contract for a study of highway construction costs, inflation and cost estimating with a legislative report due February 15, 2018.

The House bill places a cap of \$7 million on spending for any bridge that receives funds from the Local Bridge Replacement program.

Governor's Transportation Proposal

The Governor recommends the state commit to a major investment plan for transportation to fund the estimated \$6 billion dollar gap that exists between funding needs and revenues in the next 10 years.

- Initiating a 6.5% gross receipts tax on gas
- Increasing registration fees (increase additional tax rate from 1.25% to 1.5% and base tax from \$10 to \$20; phased-in over 4 years)
- Authorizing \$2 billion in trunk highway bonds over the next 10 years
- Imposing a ½ cent sales tax in the metro area for transit
- Implementing \$10 surcharges on both motor vehicle registrations and motor vehicle title transfers.

These surcharges would raise an estimated \$57 million per year, and would be deposited in the Special Revenue Fund to fund transportation needs not eligible for trunk highway funds:

- Greater Minnesota transit - \$10 million annual base increase

Trunk Highway Fund: \$533.8M FY18-19 biennium

CSAH: \$295M FY18-19 biennium

MSAS: \$77.5M FY18-19 biennium

Metro Transit: \$446.4M FY18-19 biennium

HIGHWAY 25 CORRIDOR COALITION JOINT POWERS AGREEMENT

This joint powers agreement (the “Agreement”) is entered into this 9th day of February, 2017, by and between the **Cities of Monticello, Big Lake and Becker**, municipal corporations under the laws of Minnesota, **Big Lake and Becker Townships**, public corporations under the laws of Minnesota, and **Sherburne and Wright Counties**, bodies corporate and politic under the laws of Minnesota, The parties to this Agreement are hereafter referred to individually as “Member(s)” and collectively as the “Highway 25 Coalition.”

RECITALS

WHEREAS, Minnesota Statute § 471.59 authorizes the joint and cooperative exercise of powers common to the Members; and

WHEREAS, State Highway 25 between I-94 and State Highway 10 (the Corridor) has become a vital local transportation artery supporting the social and economic well-being of the Members; and

WHEREAS, the Highway 25 Corridor between I-94 and State Highway 10 is an important connecting link to two major highways that serves a growing regional and statewide traffic demand; and

WHEREAS, transportation pressure along the Corridor has grown sharply in recent decades mirroring the growth of State, regional and local populations which have caused a significant erosion of traffic capacity; and

WHEREAS, with the growth of local, regional and statewide traffic, along with the increase in rail activity, the Highway 25 Corridor between I-94 and State Highway 10 has become increasingly congested. Continued growth is destined to further degrade the operation of the Corridor which will hamper economic development and negatively impact all that travel along and across it on a daily or periodic basis; and

WHEREAS, a pre-existing development pattern, the Mississippi River and Burlington Northern railroad all present physical challenges to development and operation of a corridor with sufficient capacity to meet existing and future needs; and

WHEREAS, given the availability of undeveloped land and projected growth in traffic demand over time, it is appropriate for member communities to engage in a joint planning effort for the sake of efficient and orderly transportation facilities development; and

WHEREAS, failure to plan and develop improvement priorities will ultimately result in added cost and lost opportunities for members of the Highway 25 Coalition and the State of Minnesota; and

WHEREAS, the potential of gaining grant funds, as well as State and Federal funding assistance, for Corridor related improvements are greatly enhanced through development of a unified voice; and

WHEREAS, each Member has adopted a Resolution finding that it is in the best interests of the citizens of each jurisdiction to enter into this Agreement.

NOW THEREFORE, pursuant to Minnesota Statutes § 471.59, and in consideration of the mutual undertakings herein expressed, the parties agree as follows:

1. The Highway 25 Coalition mission is to have the Corridor appropriately expanded to operate effectively to create timely mobility for workers and emergency response while saving and enhancing lives through reducing crashes, eliminating rail conflicts and encouraging more broad economic growth and better connected communities.
2. Activities of the Highway 25 Coalition to include the following;
 - a. Examination of the impacts of continued growth in Member jurisdictions on traffic patterns.
 - b. Conducting traffic studies defining and identifying priority improvements.
 - c. Preparation of collaborative project design and delivery recommendations.
 - d. Study of various transportation risks associated with improvement alternatives and associated timing of the construction of improvements.
 - e. Identification and application for funding of activities via grant programs.
 - f. Development of unified effort among local and state interests in obtaining funding of improvements to include: (i) providing input and leadership within each Member community on matters pertaining to Corridor improvement planning and implementation; and (ii) advocacy at the State and Federal level.
 - g. Partnering with MNDOT on regional transportation decisions and involvement in regional policy decisions and discussions.
 - h. Incorporation of public input in planning efforts.
 - i. Related and ancillary activities or common issues associated with the Highway 25 corridor.
3. Joinder of Member Political Subdivisions. The undersigned Members hereby agree to join together for the purpose of coordinating short and long term Corridor planning and

system funding efforts and establishing a joint funding source for said activities through establishment of the Highway 25 Corridor Coalition. This Agreement shall become effective upon adoption of a resolution by the governing body of no less than 5 Members, and shall be binding on all the Members who have joined through adoption of a resolution by their respective governing bodies for five (5) years from the date the last original member executes the agreement, unless otherwise extended or amended by the Members that have signed this Agreement. Near the end of the term of the Agreement, Members will assess the effectiveness of the organization and determine whether or not to continue or disband.

4. Highway 25 Coalition Board Composition. Each Member shall appoint annually a representative to the Highway 25 Coalition Board. Each Member may appoint an alternate representative who may act in the place and stead of an absent representative from that Member jurisdiction.
5. Meetings. The Board shall meet at least quarterly on a schedule determined by the Board. All meetings of the Board shall be conducted in a manner consistent with the Minnesota Open Meeting Law, Minn. Stat. § 13D.01, et. seq., as amended. Special meetings may be called by the Board Chair or upon written request of three (3) or more members of the Board. Written notice of any special meetings shall be sent to all Board members and to the City Clerk of each City to comply with posting requirements.
6. Powers and Duties. The powers and duties of the Board include, but are not limited to, expending funds for the purposes noted above including:
 - a. Approve a work plan and annual budget. In July of each year, the Highway 25 Coalition will establish a work plan and budget for the following fiscal year.
 - b. Although projects are intended to be completed within a prescribed budget approved on an annual basis, the Board has the flexibility to modify work plan and associated expenditures as it deems necessary to support the mission of the Highway 25 Coalition. In addition, the Board has the option to seek additional funding from its Members outside of the budget as needs arise.
 - c. Seek grant funds supporting planning efforts and to utilize funds on hand as necessary to meet grant program fund matching requirements.
 - d. Apply for, receive, and expend State and Federal funds available for funding goals of the Highway 25 Coalition, as well as funds from other lawful sources, including donations.
 - e. Enter into contracts with public or private entities as the Board deems necessary to accomplish the purpose for which the Board is organized, including, but not limited to, the use of consultants.

- f. Obtain such insurance as the Board deems necessary for the protection of the Board, its property, members of the Board, and Members.
7. Funding Formula and Accounting. In January, each Member shall contribute its share of the annual budget based on the following formula:
 - a. Sherburne County and Wright County to evenly split 50% of the total cost.
 - b. City of Monticello, City of Big Lake, City of Becker, Big Lake Township and
 - c. Becker Township and other local jurisdictions that so choose to join will evenly split the remaining 50% of the total cost.
 - d. Accounting services supporting Highway 25 Coalition activities shall be provided by one of its Members with this assignment made by the Board on an annual basis or as needed.
8. Jurisdiction Liaison Responsibilities. Individual Board members and associated staff are responsible for maintaining ongoing communication with the Board he/she represents to include presentation of the annual work plan and budget to their Board.
9. Voting. Each Member shall have one vote on the Board. A quorum shall consist of a simple majority (51%) of representatives from the membership. An affirmative five sevenths (5/7) vote of all the members of the Board shall be required by the Board to take any action, including, but not limited to, the actions as listed in Item 6 (Powers and Duties), however, at least one of the affirmative votes for any action must be cast by Members located on opposite sides of the Mississippi River.
10. Officers. There shall be a chair, a vice chair, and a secretary elected from the members of the Board at the initial meeting of each year. The Board may elect or appoint such other officers as it deems necessary to conduct its meetings and affairs.
11. Effective Date/Termination. This Agreement shall become effective upon execution by all of the Members after adoption of an authorizing resolution by the governing body representing each Member jurisdiction and shall continue in effect for five (5) years after the date of execution of the last Member to execute this Agreement. This Agreement shall remain in effect until a party hereto gives notice to the Board of its intention to withdraw. Notice of withdrawal must be given by July 1st of a given year. Termination will be effective at the conclusion of the calendar year. This Agreement shall remain in effect as to the remaining Members provided that there are three (3) or more Members who desire to continue operating the Board. The withdrawing Member shall not be entitled to compensation or distribution of any assets of the Board. In the event of dissolution of the Board, all remaining funds after satisfaction of all payments and other financial obligations shall be returned to the Members in the same manner in which the Members contributed funding to the Board in the last full calendar year prior to dissolution.

12. No Waiver. Nothing herein shall be construed to waive or limit any immunity from, or limitation on, liability available to any jurisdiction, whether set forth in Minnesota Statutes, Chapter 466 or otherwise.
13. Entire Agreement. This Agreement contains the entire agreement between the parties and supersedes all oral agreements, representations between the parties relating to the subject matter thereof. Any alteration, variation, modification or amendment of this Agreement shall be valid only if in writing and executed by all parties.
14. Titles of Sections. The titles of sections of this Agreement are inserted for convenience of reference only and shall be disregarded in constructing or interpreting any of the provisions hereof.
15. Severability. If any section, subdivision or provision of this Agreement shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, subdivision or provision shall not invalidate or render unenforceable any of the remaining provisions.
16. Governing Law. This Agreement shall be interpreted in accordance with the laws of the State of Minnesota.
17. Indemnification and Hold Harmless. The Highway 25 Corridor Coalition shall fully defend, indemnify and hold harmless the Members against all claims, losses, liability, suits, judgments, cost and expenses by reason of the action or inactions of the Board and/or employees and/or the agents of the Highway 25 Corridor Coalition, except for any act or omission for which the Member's employee is guilty of malfeasance, willful neglect of duty or bad faith. This Agreement to indemnify and hold harmless does not constitute a waiver by the Highway 25 Corridor Coalition, any Member or any participant of the limitations on liability provided under Minn. Stat. § 466.04.

To the full extent permitted by law, actions by the Parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the parties that they shall be deemed a "single governmental unit" for the purposes of liability, all as set forth in Minn. Stat. § 471.59, subd. 1a(a); provided further that for purposes of that statute, each party to this Agreement expressly declines responsibility for the acts or omissions of the other parties .

The parties to this agreement are not liable for the acts or omissions of the other participants to this Agreement except to the extent to which they have agreed in writing to be responsible for acts or omissions of the other parties.

Each Member acknowledges and agrees that it is insured or self-insured consistent with the limits established in Minnesota State Statute. Each Member agrees to promptly notify

all parties if it becomes aware of any potential Board related claim(s) or facts giving rise to such claims.

18. Data Practices. All government data shall be handled in accordance with the Minnesota Government Data Practices Act and Federal and State laws and regulations concerning the handling and disclosure of data. All contracts entered into by the Highway 25 Coalition shall contain a provision which requires the vendor to comply with and defend and indemnify the Members for a violation of this provision.
19. Counterparts. This Agreement may be executed in counterparts, each one of which will constitute one and the same instrument.
20. Waiver. In the event that any provision contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.
21. Amendments. This Agreement may be amended only by unanimous agreement of the Members as evidenced by resolutions adopted by their respective governing bodies.
22. Disputes. The Members agree that they will submit any disputes under this Agreement to mediation prior to resorting to an action in Court.

By signing this Agreement, the parties hereto certify that the same has been approved by their respective Boards.

(Signatures contained on following pages.)

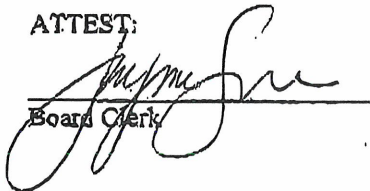
**SIGNATURE PAGE
TO
HIGHWAY 25 CORRIDOR COALITION
JOINT POWERS AGREEMENT**

Big Lake Township

By 
Board Supervisor

Date: 1-30-2017

ATTEST:


Board Clerk

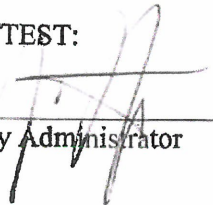
Date: 1-30-2017

**SIGNATURE PAGE
TO
HIGHWAY 25 CORRIDOR COALITION
JOINT POWERS AGREEMENT**

City of Big Lake

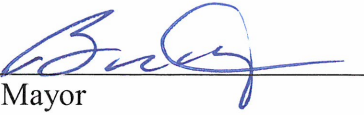
By *Baranne Omilodun* Date: 01-25-17
Mayor

ATTEST:

 Date: 01-25-17
City Administrator

**SIGNATURE PAGE
TO
HIGHWAY 25 CORRIDOR COALITION
JOINT POWERS AGREEMENT**

City of Monticello

By 
Mayor

Date: 1/9/17

ATTEST:


City Administrator

Date: 1/9/17

**SIGNATURE PAGE
TO
HIGHWAY 25 CORRIDOR COALITION
JOINT POWERS AGREEMENT**

Wright County

By Charlie Bonnell
Board of Commissioner Chair


Date: 1-24-17

ATTEST:
Jan Rly
County Coordinator

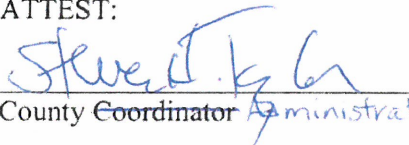
Date: 1-24-17

SIGNATURE PAGE
TO
HIGHWAY 25 CORRIDOR COALITION
JOINT POWERS AGREEMENT

Sherburne County

By  Date: 2/9/17
Board of Commissioners Chair

ATTEST:

 Date: 2/9/2017
County Coordinator ~~Administrator~~


SIGNATURE PAGE
TO
HIGHWAY 25 CORRIDOR COALITION
JOINT POWERS AGREEMENT

Becker Township

By 
Board Supervisor

Date: 1/23/17

ATTEST:


Board Clerk

Date: 1/23/2017

SIGNATURE PAGE
TO
HIGHWAY 25 CORRIDOR COALITION
JOINT POWERS AGREEMENT

City of Becker

By Tracy Bult
Mayor

Date: Feb 7, 2017

ATTEST:
[Signature]
City Administrator

Date: 2/8/2017