

**PROCEEDINGS OF THE
TECHNICAL ADVISORY COMMITTEE
Wednesday, July 18th, 2007 – 1:30 p.m.
Grand Forks City Hall Conference Room A-102**

CALL TO ORDER

Earl Haugen, Chairman, called the July 18th, 2007, meeting of the MPO Technical Advisory Committee to order at 1:32 p.m.

CALL OF ROLL

On a Call of Roll the following members were present: James Bittman, MNDOT-Bemidji; Dean Wieland, East Grand Forks Consulting Engineer; Jane Williams, Grand Forks Traffic Engineer; Nancy Ellis, East Grand Forks Planner; Brad Gengler, Grand Forks Planner; Kent Ehrenstrom, MNDOT-Bemidji; and Les Noehre, NDDOT-Grand Forks.

Guests present were: Dave Leftwich, NDDOT-Local Government; Jason Carbee, URS; and Bill Troe, URS (all via conference call).

Staff present were: Earl Haugen, MPO Executive Director, and Peggy McNelis, MPO Executive Assistant.

DETERMINATION OF A QUORUM

Haugen declared a quorum was present.

MATTER OF DISCUSSION ON STREET AND HIGHWAY PLAN UPDATE

Haugen reported that he did e-mail out to everyone the June 5th Memorandum on Estimating Planning Period Funding Levels, and he also has it projected here as well.

Haugen referred to Pages 4 and 5, which illustrate historical transportation expenditures for both Grand Forks and East Grand Forks, and asked that Mr. Troe give a brief overview of the information shown.

Troe explained that back in February they put together a memorandum that started out as a discussion on funding. He stated that it basically said that they could develop a forecast for funding in a number of different ways: 1) one way might include looking back historically at what the funding levels were for a certain period of time, and from the review of that time period come up with an annual average, or anticipated level of expenditure in the region, and then take that number and project it forward; 2) another would be to look at the S.T.I.P. and then taking

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those amounts and move them forward; 3) another would be to look at the historical funding in an area relative to the historical funding for the entire state and then projecting the state funding forward and taking a percentage of that that we would anticipate would come into a region.

Troe stated that it has been his experience that these are the base rate methodologies, and they chose to follow the one that the Metropolitan areas, and the DOTs thought was the most middle-of-the-road, which didn't rely on quite as many assumptions as some of the others, and which allowed them to look back historically at what the expenditures in the region were, going back far enough so that they worked their way through at least one cycle, which was 13-years in East Grand Forks, and 11-years in Grand Forks. He said that this gave them the historical expenditures within the region, on at least the primary roadway system, from which they were able to determine what the average expenditures for East Grand Forks and Grand Forks were, and then they projected it forward to the 2035 horizon.

Troe explained that another side to this is the fact that they know that they won't have every penny available to us for the transportation plan projects, and the transportation plan isn't going to list every potential overlay project that there might be, or every signal replacement project, etc., and they aren't including them in the plan, but they are included in the historical expenditures, so they need to go in and divide the historical expenditures into categories, which will be done based on the information they received. He commented that the categories will include: 1) expansion, which is the primary focus of the transportation plan; 2) rehabilitation/maintenance, which is critical in maintaining the existing system; and 3) enhancement.

Troe referred to the tables, pointing out that each project has a very brief description, and explained that they went through a process of dividing each of the projects that were listed during those historical periods into one of the three categories, and then they used that information to form the additional basis of division of the future expenditures and future funding into those three categories as well in order to come up with the forecasted future dollars for the region.

Troe stated that this is the second iteration. He said that the first iteration was submitted for review, from which a few comments were received, but there were no dramatic changes made. He added that the division of projects, based on his and Mr. Carbee's estimation of whether it is an expansion project, a rehab/maintenance project, or an enhancement project, is shown here. He commented that what this really comes down to is that about 70% of the dollars on the Grand Forks side is spent on expansion projects and about 30% on the Minnesota side.

Haugen referred to Table 3, and reported that he thinks that where the discussion started was perhaps, if you take a look at the North Washington Project in 2000, these numbers are what were programmed in the T.I.P., not what may have actually been spent, but in 2000 North Washington was a 2.75 million dollar project, and it is listed as an expansion project, although it could be questioned as to whether or not it really is an expansion project or a rehab/maintenance project, as this was basically taking a rural section and putting it into an urban section.

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Troe commented that his definition of an expansion project is one that adds capacity, possibly by adding a turn lane or a through lane, or it creates a connection. Wieland asked if any of the projects were split between rehab/maintenance and expansion, or were they kept together. Troe responded that he put everything into one category or another, he didn't split them, but, if you look at the North Washington Street project, you could probably argue that that should be split, but then you start getting in this issue of "what-if". Wieland stated that he doesn't know if it makes a big difference or not, but before he retired, his firm did that project, and right of the top of his head, if asked, he would put this one under rehab/maintenance instead of expansion. Troe responded that their goal is to determine if there are changes that should be made to this because the description they had to work with was very brief, and he wouldn't have any problem moving things around if necessary because things have to be dispensable.

Bittman referred to Table 2, and pointed out that the monies shown under enhancement projects seem very heavy for that time period, and he doubts very much that we will ever see that big a chunk in a 13-year period. He stated that there are two pretty big projects listed under the enhancement category that aren't your normal enhancement type projects, probably ten-times your normal enhancement projects, so it seems like it has been weighted kind of heavy. He added that this might be raising the percentage up as well. Troe responded that, in reality they somewhat, at least in this exercise, discount the enhancements. Bittman stated, though, that when your talking total dollars, that kind of throws it for a loop a little bit. Troe said that may be, that if you make the argument that the \$3,000,000 that went to the Visitor's Center, if it wasn't being used for the Visitor's Center, would a portion, or all of those monies still come to the region as another maintenance project, or an expansion project, or did it only come to the region because the Visitor's Center was there and if it wasn't the monies probably wouldn't be used for anything else. Bittman commented that he would consider that more of a flyer, as it isn't a norm. Troe agreed that it was a flyer, but he doesn't think it influences anything at all since they really aren't projecting enhancement monies forward, and in this case he would have just taken the expansion and rehab monies and forecasted them forward, and to a certain extent ignore the enhancement monies.

Haugen referred to Table 3, and asked if there were any projects that might be listed as expansion, but could be considered for placement under maintenance. He said that the effect of that could lower the funds available for projects being identified in the plan. Troe agreed, adding that we do want to make sure that it is dispensable. Haugen pointed out that we currently have about \$110,000,000 in our budget for North Dakota projects, and, as you will recall, we have some base confirmed projects, and the North Dakota ones should be subtracted from that amount. Troe responded that he covered that in the presentation last month, so if you want he can look that information up.

Bittman commented that it appears that there are a lot of expansion projects shown for Grand Fork, and he wonders if all of them are actually expansion, or should maybe a percentage of a specific project be shown elsewhere, such as maintenance. He pointed out that one of the projects involved the addition of a couple of turn lanes, and while the addition of those lanes

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would qualify as expansion, the rest of the project should probably be listed as rehab/maintenance.

Wieland asked what the ramifications are for either rehab or expansion. Haugen responded that they are really only showing expansion dollars in their long range transportation plan budget. He added that they have identified the rehab dollars as being there, and available for those rehab projects, but are not identifying all the projects that use that rehab budget.

Troe explained that what they did was to look at these historical projects, and, lets just use the Washington Street project as an example, whereby a portion of the project is expansion, and a portion of the project is rehab, as long as we are thinking about a project like that in the same way, what they did was to put all of it under expansion, whereas you could argue, if you wanted to that a portion of the project was rehab so it could be place there as well, or split, but by placing all of the project under either rehab or expansion, he thinks that they maintain that logic for looking into the future so that a Columbia Road conversion to seven-lane project, even though it has some elements of rehab, the argument is consistent that we just put the whole thing into expansion. He summarized that he feels that a project is either in expansion or it is in rehab/maintenance relative to the Transportation Plan. Haugen commented that all of the costs that we are having for these projects that will possibly be identified in the Long Range Transportation Plan are projects that are similar to the projects that are listed here under expansion, so we aren't taking out part of that future project cost as strictly rehab, it is all being termed expansion even though in the future a chunk of it will be rehab, as we are trying to be consistent.

Haugen reported that the issue that came up with this are the big ticket items, such as the Washington Underpass, the potential to replace the Sorlie and Kennedy bridges, which aren't showing up here, and haven't been showing up on our future project lists as costs in the Transportation Plan budget. Noehre said that this is essentially his question. He stated that those three projects, just using planning dollars could range in cost from \$20 to \$35 million dollars or more, so, since everything we are talking about is based on purpose and need, would that \$20 to \$35 million dollars come out of expansion, rehab/maintenance, or be an additional purpose and need. Troe responded that in his definition all of the bridge replacement would fall under the category of maintenance, and if we would have had a similar project during the historical period he would have put it under maintenance, unless you would have been adding capacity, in which event he would have placed it under expansion. He added that the Washington Street Underpass project is basically a rebuilding of existing lanes, therefore he would initially place that under the category of maintenance/rehabilitation as well.

Thompson asked if we can build a new bridge without a 50-year consideration, since it may not be feasible now to increase the capacity, but it should at least be built into the design in order to make it easier to incorporate in the future. Troe responded that you have to think about this in terms of the Long Range Transportation Plan, and the only way it can be included in the plan is if we show there is a capacity need now.

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Noehre commented, again, that lets say that a project is going to cost \$35 million, and to the year 2035 you have \$38 million forecasted, that leaves \$3 million dollars to do twenty-eight years of similar projects that you show in your spreadsheet. Troe responded that that is correct, and added that that is the dilemma we run into, about possibly bringing projects that could be considered as maintenance projects into this discussion.

Haugen pointed out that of the three big ticket items we are talking about, two are bridge replacement projects, and our historical expenditures show no bridge replacement dollars being spent, so one could reasonably say that bridge replacement dollars aren't shown in the planning level budget. Bittman commented that there isn't replacement dollars, but there is rehab/maintenance dollars shown for the Kennedy.

Haugen asked if he was correct that that some of the alternatives we might be considering for the Washington Street Underpass project are due to capacity issues. Troe responded that that is correct. He added that right now the alternatives that they have discussed at the Washington/DeMers Intersection would influence the underpass, and then we would probably include the problems with that underpass, the repair and rehabilitation issues, the action of the underpass in the overall project associated with DeMers/Washington, and then it would be incorporated into the Long Range Transportation Plan budget.

Haugen asked if this body now has a better understanding of this whole process, and if the overall approach seem reasonable, and it is just a question of maybe one or two mega projects and how they fit in. Noehre responded that his only concern with this whole issue, and why he keeps bringing it up, is that he doesn't want anyone to have unreal expectations because that has happened often enough in the past, so he is trying to avoid that from happening again. Troe commented that in reality that is a very important thing to consider, and as they looked at this, and this is based on experience they have had in other areas as well, this methodology, because they are looking at actual historical expenditures in the region, has a better tendency to come back and reflect a more reasonable expectation, and is not setting the bar really high, and actually comes up with the most conservative forecasts of funding dollars. Bittman stated that he doesn't think the concern is with the road part of it, but with the bridges, and how they are forecasted out. Troe responded, again, that what Earl had brought up about the use of bridge replacement dollars is the same discussion Jason and himself had the other day in anticipation of this meeting, as Earl was saying, and it isn't exactly along the same lines as he was thinking, in his opinion if you are using bridge replacement dollars, that falls under the category of maintenance, and if you look back through the projects listed none of them likely used bridge replacement dollars, so a project that would have used bridge replacement dollars, unless you are adding capacity, would fall under the maintenance category. Haugen responded that there is one project, Project #4, South 42nd Street Bridge, which is listed under maintenance, is the one project that used bridge replacement monies.

Haugen reported that the other problem they have is not knowing what the next generation of federal transportation authority is going to be, what programs are being placed, and what funding mechanisms will be available. Troe agreed, and added that he thinks that if you look back at

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historical expenditures, as far back as you can reasonably collect information, you can establish the argument that the overall funding bill has not declined historically, we believe that we are in a better position to fund improvements, or fund maintenance and rehab projects in 2007 than we were in 1989.

Haugen reiterated that these are all just 2007 dollars we are talking about, and as we discussed at our last Technical Advisory Committee meeting we have year of expenditure and year of revenue to contend with as well. Troe responded that that was correct, and asked if any further directions had been received on how to deal with those issues or not. Haugen responded that he had not received any further direction, but, referring to Page 93 in the packet, he explained that this is the summary of S.T.I.P., and pointed out that the second paragraph talks about the spending authority for urban roads, and what they are forecasting for 2008, 2009, 2010, and 2011. He added that they show a modest increase between 2008 and 2009, 2.7%; and a nice increase of 7.2% between 2009 and 2010; and 6.2% between 2010 and 2011. He stated that this may be the only guidance we have, the urban road dollars and their predicted increase, and although we know that all of those funds will go to Grand Forks, based on our historical expenditures, perhaps we might expect an increase of the average of the three.

Troe commented that if we are looking at that potential increase in federal dollars, how he might account for that is the fact that federal dollars make up a certain percent of the budget, or a certain percent of the total expenditures anticipated, so if you are looking at a 5% growth in different periods, but it is only the federal dollars we would have to weight that based on what percentage of the total that the federal dollars make up. He added that he doesn't think you can take that as a straight increase in funding. Haugen stated that this is the biggest pot of the future revenue, and gives us a start as to historic percentage, an increase of one historic percentage, this annual amount for year of revenue versus year of expenditure. He said that he doesn't know of any other guidance provided. Troe responded that he has not heard of any either, specifically when it comes to the dollars, but one thing he would like to discuss the issue of the year of expenditures, which, by the way he is really not a fan of the great job they got handed to them on that, but what he is anticipating is dividing projects into periods; a short-term period of 1 to 5 years, a mid-term period of 10 to 15 years, and a long-term period of 15 plus years. He explained that what they would do, then, is instead of using a year for expenditure we would interpret it as a period of expenditure, and simply escalate the costs of projects from a 2007 estimate year to sometime out in the future, so for short-term period projects we would escalate the cost by 2 ½ years, and for mid-term period projects we would escalate the cost by 7 ½ years, and for long-term period projects we would escalate the cost by 15 years. He said that the reason he is suggesting doing it this way is because it is impossible to determine what year you are going to implement a project, and if we try to do that all we are going to do is waste time arguing about which project is most important, and by forcing us to go to a specific year of expenditure, you are just increasing the volume on the argument, so he would at least like to float this idea of using periods. He added that this method would also give us more control over inflation, because if we have to look at a 4% a year escalation, and we have to look out 30-years, a project that costs \$20,000,000 today will cost like \$43,000,000 when it is programmed, which means that you have now used up a huge portion of your budget on speculation.

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Haugen stated that the trick here is how we adjust the revenues, and if you do the same bands, or time periods, he would assume that you would do the same for the revenue adjustments, so it is just another way of saying how much we are going to do in the short-term, mid-term, and long-term periods, and how we show a reasonable expectation of a certain amount of revenue from this source, from that source, etc., and then show fiscal constraint in the end. Troe agreed, adding that he would use the information included in the S.T.I.P. as a potential basis.

Haugen commented that he would think the next step, then, would be for URS to draft a memorandum outlining your thoughts on these three ranges and how you will address the costs, year of expenditures, and also how we should start addressing the year of revenues. Troe agreed, adding that they should be able to do that pretty quickly.

Haugen reported that if we are going to identify in the Long Range Transportation Plan, the work that might be done on the bridges during this plan period, we need to get that information from the two DOTs. Bittman stated that per discussion, at this time it looks like there could be work done on the Sorlie in the next three to six years, and six to twelve years on the Kennedy. He added that this work could be anything from a rehab to a replacement. Haugen commented that the two DOTs still need to meet to determine what course of action they are going to take on these two bridges, and right now that most likely won't be resolved before we go through the plan approval process, so what Mr. Bittman is saying is that if we are going to document this we should consider both approaches, so on the low end we do rehab work and on the high end we do replacement work using today's dollars for both.

Haugen asked for an overview on what work still needs to be done on the update. Troe responded that last week they provided some additional documentation on specific projects, for example they did a complete job of trying to add up the potential impacts involved with a seven-lane cross-section versus TSM improvements for Columbia Road, and now, as Earl mentioned, there has been some discussion with the DOT that if our goal is to get to a level-of-service "C", or better at the intersection of DeMers and Washington, we would be looking at improvements that have a very substantial level of impact, and would require a grade separated improvement, so discussions were initiated, and at least an understanding reached that there may be the potential for state funding at a location that does not meet the level-of-service "C" criteria provided we can argue that meeting a level-of-service "C" is more than difficult, and is not cost effective to achieve, but there still needs to be some improvements made. He stated that they are in the process of putting together a memorandum for that specific location, with that argument in mind, and saying that if the DOT were to agree to accept a level-of-service "D" these are the improvements that would get us to that level, but if we are still tied to a level-of-service "C" this is what we probably need to do, and these are the impacts associated with that.

Troe stated that last week they had said that they had not received a model run from A.T.A.C. that included the list of confirmed projects, which would include the Merrifield Interchange, the Merrifield River Crossing, the 17th Avenue Overpass, and the 32nd Avenue South River Crossing, but they have since received it, and are now also looking at some of the larger area, or

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regional improvements relative to that confirmed package and seeing what the impacts of that are, which they should complete in the next couple of day, and will get a memorandum out regarding the results by the end of the week.

Troe commented that the last thing they are doing is putting together packages of improvements that address the issues, the goals, and are within the budget that they think is a reasonable expectation of funding between now and 2035.

ADJOURNMENT

***MOVED BY NOEHRE, SECONDED BY ELLIS, TO ADJOURN THE JULY 18TH, 2007,
MEETING OF THE TECHNICAL ADVISORY COMMITTEE AT 2:28 P.M.***

MOTION CARRIED UNANIMOUSLY.

Respectfully submitted by,

Peggy McNelis,
Executive Assistant