

Corridors of Commerce Overview

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Matt Burress, Legislative Analyst, Minnesota House Research Department

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Introduction: General Background

- Program to fund trunk highway system projects throughout the state
- First established in 2013 legislation (Laws 2013, Ch. 117)
 - Revised in various subsequent years
 - In Minn. Stat. § 161.088
- Administered by Minnesota Department of Transportation (MnDOT)
 - “Specialty” program outside the regular project development process
 - Competitive project selection process based on statutory requirements
- Periodic but recurring funding

Introduction: Goals

- Expressed program goals
 - Provide trunk highway system capacity expansion at “gaps” or bottlenecks
 - Improve the movement of freight and reduce barriers to commerce
- Arguably, other considerations at program inception
 - Avoidance of legislative selection of projects
 - Spending on highway maintenance vs. expansion
 - Legislative response to stakeholder perspectives on desired projects vs. MnDOT’s planning and project selection process

Program Structure: Project Eligibility

- Trunk highway project requirements (with exceptions)
 - Fits in a classification of “capacity development” or “freight improvement”
 - Will commence construction within 4 years
 - Can identify a reasonably accurate total cost estimate
 - Is not already included in the state workplan (the STIP)
 - Is on a subset of the trunk highway system (the National Highway System)
- “Capacity development” projects to add
 - An extension of an additional lane
 - A divided highway to existing divided highway segment
 - A new interchange
 - A connection for two trunk highways

Program Structure: Project Selection

- Solicitation and initial review process
 - Public solicitation for projects to consider
 - Local screening entities
 - Area Transportation Partnership, Greater MN county, or the Met Council
 - Perform review of potential projects and submit recommendations to MnDOT
 - Limited numbers of recommendations
- Eligibility review by MnDOT

Program Structure: Project Selection (cont.)

- MnDOT project evaluation and scoring of recommended projects
 - Equal weight to the criteria in state statute
- Projects are scored and ranked
- Projects are funded in rank order with available program money
 - Separately for each funding allocation (discussed below)

Statutory criteria

- Return on investment
- Impacts on commerce & economic competitiveness
- Efficiency in traffic movement
- Traffic safety impacts
- Transportation system connections
- Multiple policy objectives alignment
- Project consensus
- Time needed until construction

Program Structure: Regional Allocation

- For each project selection round, available funds are divided into three regional allocations

Allocation	Funding Share	Geographic Area
Metro	25.0 – 27.5%	Within or on I-494 / I-694
Metro Connector	35.0 – 37.5%	Outside the area of the Metro allocation, but inside a greater metro county (11-county area)
Regional Center	35.0 – 40.0%	Outside the above areas (i.e., rest of state)

Program Structure: Readiness Development

- Reflects “chicken and the egg” challenges
- MnDOT can allocate up to 10% of funds for readiness development projects
- For initial project development stages
 - Planning, scoping, predesign, environmental analysis
- Readiness funding is only to meet construction, cost estimate, and scoring requirements under the program
- Alternative scoring can be used

Program Structure: Review

- Annual legislative report
- Biennial independent evaluation of program outcomes and effectiveness

Funding: Overview

- Total program funding is roughly \$1.7 billion since inception
 - Primarily via trunk highway bonding
 - Annual \$25 million Trunk Highway Fund base added in 2017
 - Some allocation to the program from Trunk Highway Fund construction appropriations
- Funds bundled into six project selection rounds

Corridors of Commerce Funding (\$ in 1,000s)

Year	TH Bonds	TH Fund	MnDOT Allocated	Total	TH Bonding Provisions
2013	0	0	0	0	\$300 M for FY 2015
2014	0	6,500	0	6,500	
2015	300,000	25,000	0	325,000	
2016	0	0	0	0	
2017	0	0	100,000	100,000	\$300 M over FY 2018-21
2018	50,000	25,000	0	75,000	\$400 M over FY 2022-24
2019	50,000	25,000	0	75,000	
2020	100,000	25,000	0	125,000	
2021	100,000	25,000	0	125,000	\$200 M over FY 2024-25
2022	150,000	25,000	0	175,000	

(See table continuation and notes on next slide)

Corridors of Commerce Funding, Cont. (\$ in 1,000s)

Year	TH Bonds	TH Fund	MnDOT Allocated	Total	TH Bonding Provisions
2023	150,000	25,000	0	175,000	\$153 M over FY 2024-26
2024	208,000	25,000	0	233,000	\$15 M for FY 2025
2025	187,500	25,000	0	212,500	
2026	72,500	25,000	0	97,500	
Total	1,368,000	256,500	100,000	1,724,500	

Notes

Amounts are in thousands (\$M is millions).

Year shows the fiscal year for appropriations and described MnDOT funding allocation, or the session year for bonding authorizations.

MnDOT Allocated refers to amounts identified by MnDOT as directed to the program from general appropriations.

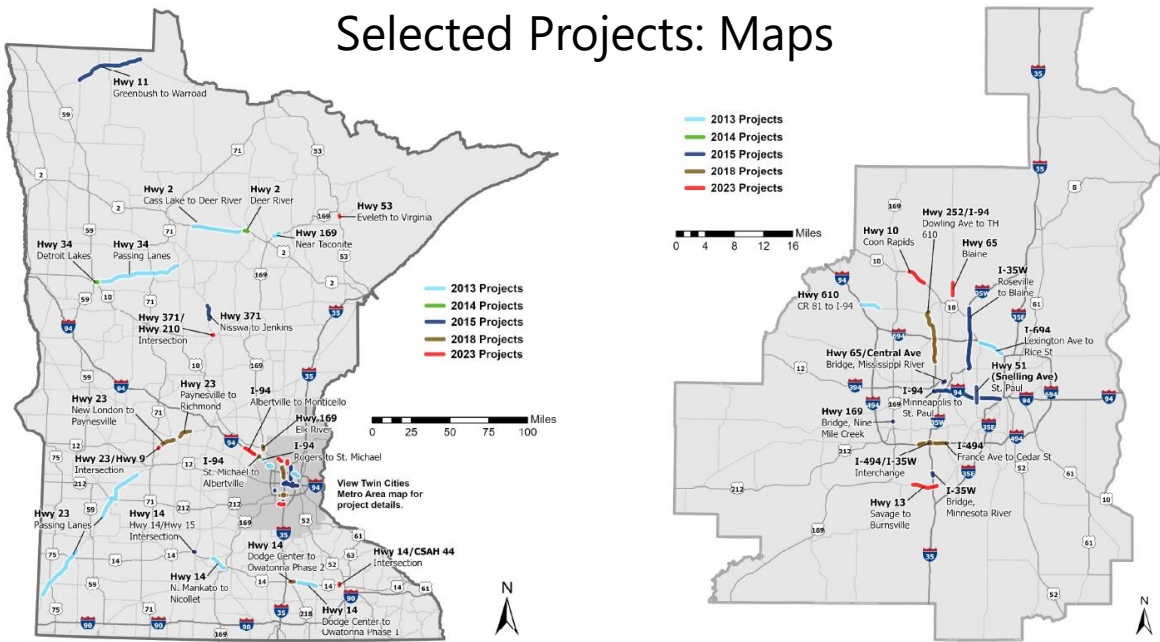
TH Fund amount in FY 2026 is the base (and currently is not appropriated).

Excludes (1) project funding from other sources, and (2) bond sale expenses.

Selected Projects: Overview

- Variety in project types
 - Additional lane
 - Auxiliary & passing lanes
 - Two-lane to divided highway conversion
 - Continuous divided highway
 - Freeway conversion
 - Interchange / grade separation
 - E-ZPass lane
 - Freeway extension
 - Right-of-way acquisition for expansion

Selected Projects: Maps



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History Highlights: Introduction

- History section is not comprehensive
- Intent of highlights
 - Summarize some of the program activity
 - Provide context for the current program design

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History Highlights: Program Change

2016: Office of the Legislative Auditor evaluation

- Program review in a broader examination of highway project selection
- One of the findings: “MnDOT’s process for selecting Corridors of Commerce projects has been inconsistent and subjective.” (p. 59)
- One of the recommendations: “MnDOT should modify its Corridors of Commerce project-selection process to create greater objectivity and transparency.” (p. ix)

2017: Legislative responses

- Various program requirements changed, including:
 - Evaluation with **all** and **no additional** statutory criteria
 - Added project selection criterion for regional balance throughout the state

History Highlights: Program Change (cont.)

2018: Project selection concerns

- MnDOT activity
 - Revised project scoring & selection process
 - Formalized soft 50-50 funding split between Twin Cities metro area and Greater MN
 - Project selection announced in spring 2018
- Concerns raised by some legislators and stakeholders about geographic balance of selected projects
- Legislative response
 - Additional trunk highway bonds authorized
 - Direction to use the 2018 scoring in rank order with additional selection requirements

History Highlights: Latest Activity

2023: Project selection process revisions

- Concerns expressed by MnDOT
 - Number of projects to evaluate
 - Interpretation of regional balance
- Multiple legislative modifications to the program, including:
 - Local screening & recommendations
 - Regional allocation
 - Separate readiness development funding

Questions?

Resources

- 2024 legislative report: https://www.lrl.mn.gov/mndocs/mandates_detail?orderid=7745
- MnDOT program website: <https://www.dot.state.mn.us/corridorsofcommerce/index.html>
- OLA report: <https://www.auditor.leg.state.mn.us/ped/2016/mndotprojects.htm>
- Program statute – Minn. Stat. § 161.088: <https://www.revisor.mn.gov/statutes/cite/161.088>



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