

Report on Expenditures from the Trunk Highway Fund



Minn. Stat. 161.08, Subd. 2. Biennial report on expenditures. No later than October 15 of each odd-numbered year, the commissioner shall report to the legislature the total expenditures from the trunk highway fund during the previous biennium in each of the following categories: road construction; planning; professional and technical contracts; design and engineering; labor; compliance with environmental requirements; acquisition of right-of-way; litigation costs, including payment of claims, settlements, and judgments; maintenance; and road operations. As part of each report the commissioner shall select two representative trunk highway construction projects, one each from the department's metropolitan district and from greater Minnesota, and for each project report the cost of environmental mitigation and compliance.

The cost of preparing this report was approximately \$700.

MINNESOTA DEPARTMENT OF TRANSPORTATION

FISCAL YEAR 2008-2009 BIENNIAL REPORT

Section 1 of the report contains information on the costs for the FY 2008-2009 biennium for each of the categories specified in the statute. Table 1 lists those expenditures by the categories specified in the legislation. Below Table 1 are brief explanations of what is included in each of the amounts.

Section 2 of the report contains information for environmental mitigation and compliance costs. It differs from the rest of the information because it is not a department total for the biennium. As requested in the statute, it reports the cost of environmental mitigation and compliance for one project in the metro area and one project in greater Minnesota. The projects were chosen to represent the types and magnitude of costs typical for construction projects of similar magnitude.

SECTION 1

MINNESOTA DEPARTMENT OF TRANSPORTATION
FISCAL YEAR 2008-2009 BIENNIAL REPORT
AS OF AUGUST, 2009
(\$ in millions)

Table 1

1. Road Construction	\$1,324.3
2. Professional Technical Contracts	\$ 103.3
3. Design and Engineering	\$ 344.9
4. Labor	\$ 654.7
5. Acquisition of Right of Way	\$ 128.4
6. Litigation	\$ 4.6
7. Maintenance	\$ 174.6
8. Road Operations	\$ 311.9
9. Planning	\$ 27.2
10. Environmental Documentation	\$ 20.2

1. Road construction costs include all actual costs and encumbrances for road and bridge construction contracts. It includes both the design and engineering and construction cost portions of design/build contracts.
2. Professional technical contract costs include all costs and encumbrances for services such as road and bridge design, software development, construction engineering, and organizational development.
3. Design and engineering costs include all costs and encumbrances for design, pre-design, construction, and other engineering activities performed internally by Mn/DOT employees and by consultants.
4. Labor costs include all expenditures for labor by Mn/DOT employees including overtime and benefits for full-time, part-time, and unclassified employees.
5. Right-of-way acquisition costs include all costs and encumbrances to acquire land for trunk highway system improvements including appraisers, court fees, and land purchases.
6. Litigation costs include all payments to the Attorney General's Office for legal services, as well as costs paid for expert witness fees, court reporters and transcribers. Payments for tort claims and other legal settlements are not uniquely identified in the MAPS system; as a result, we were not able to include those amounts in this report.
7. Maintenance costs include all costs and encumbrances to operate the trunk highway system and Mn/DOT buildings. Operations costs include all costs and encumbrances to maintain the trunk highway system and Mn/DOT buildings.

8. Planning costs are all costs for planning related to construction and maintenance of the trunk highway system, paid either to Mn/DOT employees or consultants.
9. Environmental documentation costs are the costs derived from the completion of environmental review processes and documentation of the results of those processes, such as Environmental Assessment Worksheets and Environmental Impact Statements. Both internal employee and consultant costs are included.

SECTION 2

Report on Environmental Mitigation and Compliance Costs associated with two Mn/DOT Projects

Two recent projects were selected for study regarding their environmental mitigation and compliance costs, and to determine what proportion of overall project costs are attributable to environmental mitigation. One project is from Mn/DOT's Metro District and the other is a Trunk Highway 169 project in Itasca County, representative of a greater Minnesota project.

Environmental mitigation costs for these projects include the costs for environmental engineering, right of way required for environmental aspects of projects, construction of erosion control, ponds, noise walls and visual barriers, wetland mitigation, and the investigation of contaminated sites and cultural resources.

The costs attributable to environmental documentation and alternative development are not considered as environmental mitigation costs. These are environmental costs and are noted in the tables, but are not included in the costs attributed to environmental mitigation.

Environmental Mitigation and Compliance Costs
Two Representative Trunk Highway Construction Projects

Project I: Metropolitan District

Mn/DOT Project #: S.P. 6280-304 (I-35E @ I-694) – Unweave the Weave

This project involved road and bridge reconstruction of the I-35E/I-694 Interchange. Pavement composition was improved from asphalt surface to a complete concrete surface. Three lanes each direction were added along I-694 & I-35E through the project. Improvements associated with, but not included within, S.P. 6280-304 included widening the I-694 eastbound bridge over Trunk Highway 61, replacing the Edgerton Street bridge, and reconstructing the Edgerton Street bridge approaches.

The project was processed with an Environmental Assessment. A Finding of No Significant Impact (FONSI) was approved in September 2003. A Negative Declaration Letter was signed in October 2003.

Environmental mitigation costs of \$14.1 million are detailed in Table 1a and account for roughly 10% of total project costs. The total project cost for “Unweave the Weave” was \$145.4 million and is summarized in Table 1b. The construction cost of the project was \$120.5 million, the right-of-way land-related cost was \$0.8 million and project engineering costs were \$24.1 million.

Table 1a – Environmental Mitigation Costs, S.P. 6280-304

Environmental Investigation Costs	
Historical/Cultural Resources	\$ 41,361
Contamination Investigation.....	\$ 46,405
Sub-Total:	\$ 87,766
 Preconstruction Engineering Costs	
Noise Walls.....	\$ 231,201
Ponds.....	\$ 89,629
Erosion Control.....	\$ 51,502
Sub-Total:	\$ 372,332
 Construction Engineering/Administration Costs	
Noise Walls.....	\$ 615,375
Ponds.....	\$ 181,914
Erosion Control.....	\$ 144,493
Sub-Total:	\$ 941,782
 Right of Way Costs (Land-Related Only)	
Ponds.....	\$ 702,850
Wetlands (credits)	\$ 101,850
Sub-Total:	\$ 804,700

Environmental Mitigation and Compliance Costs
Two Representative Trunk Highway Construction Projects

Table 1a – Environmental Mitigation Costs, S.P. 6280-304 (cont.)

Construction Costs	
Noise Walls.....	\$ 7,692,192
Ponds.....	\$ 2,273,920
Erosion Control.....	\$ 1,806,159
Sub-Total:	\$ 11,772,271
Supplemental Agreements and Work Orders	
Noise Walls.....	\$ 78,355
Ponds.....	\$ 3,307
Erosion Control.....	\$ 37,435
Other (remove regulated waste, street sweeping).....	\$ 22,442
Sub-Total:	\$ 141,539
Total Environmental Mitigation Costs	\$ 14,120,390

Environmental Documents (Costs <u>not</u> included in mitigation costs)	
Environmental Assessment.....	\$ 198,691

Table 1b – Total Project Costs, S.P. 6280-304

Right of Way	
Total Project Right of Way Costs (Land Only)	
Sub-Total:	\$ 804,700
Construction Costs	
Total Project Construction Cost Estimate.....	\$ 108,799,266
Total Project Supplemental Agreements	\$ 4,160,939
Utility Relocation Costs.....	\$ 6,074,012
Railroad Agreement.....	\$ 307,560
Detour Agreement.....	\$ 22,251
Post Construction Traffic Mgmt Center Work	\$ 416,612
Future Landscaping* (\$675,000).....	\$ 675,000
*Outstanding earthwork claim not included	
Sub-Total Estimate:	\$ 120,455,640
Project Delivery Costs	
Preconstruction Engineering.....	\$ 14,454,677
Construction Engineering/Administration.....	\$ 9,636,451
Sub-Total:	\$ 24,091,128

Environmental Mitigation and Compliance Costs
Two Representative Trunk Highway Construction Projects

Table 1b – Total Project Costs, S.P. 6280-304 (cont.)

Total Project Cost Estimate	
Engineering.....	\$ 24,091,128
Right of Way.....	\$ 804,700
Construction.....	\$ 120,455,640
Total Project Costs	\$ 145,351,468

Percentage of Project Costs incurred for Environmental Mitigation and Compliance:
 $\$14,319,081 \div \$145,351,468 = 9.9\%$

Project II: Outstate District
Mn/DOT Project #: S.P. 3116-106 (TH 169) – Cross Range Expressway Phase II Part 1

This project involved highway realignment and expansion of Trunk Highway 169 as a four lane divided highway. The project was constructed on new alignment and right of way from Elizabeth Avenue in Coleraine to approximately 0.2 mi west of County State Aid Highway 15 in Itasca County. Project length was 2.8 miles and consisted of grading, bituminous surfacing, drainage and lighting.

Environmental mitigation costs of \$0.6 million are detailed in Table 2a and account for roughly 6% of project costs. The total project cost for “Cross Range Expressway Phase II Part 1” was \$13.9 million and is summarized in Table 2b. The construction cost of the project was \$11.7 million, the right-of-way land-related cost was \$0.9 million and project engineering costs were \$1.0 million.

Table 2a – Environmental Mitigation Costs, S.P. 3116-106

Environmental Investigation Costs	
Historical/Cultural Resources	\$ 51,280
Sub-Total:	\$ 51,280
 Preconstruction Engineering Costs	
Ponds.....	\$ 28,000
Erosion Control.....	\$ 20,000
Sub-Total:	\$ 48,000
 Construction Engineering/Administration Costs	
Ponds.....	\$ 1,200
Erosion Control.....	\$ 18,000
Sub-Total:	\$ 19,200

Environmental Mitigation and Compliance Costs
Two Representative Trunk Highway Construction Projects

Table 2a – Environmental Mitigation Costs, S.P. 3116-106 (cont.)

Right of Way Costs (Land-Related Only)	
Ponds.....	\$ 3,000
Wetlands (credits).....	\$ 221,400
Sub-Total:	\$ 224,400
Construction Costs	
Ponds.....	\$ 75,000
Erosion Control.....	\$ 222,751
Sub-Total:	\$ 297,751
Supplemental Agreements and Work Orders	
Sub-Total:	\$ 0
Total Environmental Mitigation Costs	\$ 640,631
Environmental Documents (Costs <i>not</i> included in mitigation costs)	
Environmental Assessment.....	\$ 163,757

Table 2b – Total Project Costs, S.P. 3116-106

Right of Way	
Total Project Right of Way Costs (Land Only)	
Sub-Total:	\$ 912,810
Total Project Construction Costs	\$ 11,659,009
Total Project Delivery Costs	
Preconstruction Engineering.....	\$ 818,113
Construction Engineering/Administration.....	\$ 201,521
Right of Way Delivery.....	\$ 353,687
Sub-Total:	\$ 1,373,321
Total Project Cost Estimate	
Engineering.....	\$ 1,019,634
Right of Way.....	\$ 1,266,497
Construction.....	\$ 11,659,009
Total Project Costs	\$ 13,945,141

Percentage of Project Costs incurred for Environmental Mitigation and Compliance:
 $\$804,388 \div \$13,945,141 = 5.8\%$

	Reported '04-'05	Reported '06-'07	FINAL '08- '09	VARIANCE FROM LAST BIENNIUM
Road Construction	\$ 979.1	\$ 1,156.3	\$ 1,324.3	168.0
Professional Technical Contracts	\$ 125.4	\$ 91.3	\$ 103.3	12.0
Design and Engineering	\$ 285.6	\$ 284.9	\$ 344.9	60.0
Acquisition of Right of Way	\$ 206.6	\$ 172.4	\$ 128.4	(44.0)
Litigation	\$ 4.1	\$ 4.6	\$ 4.6	(0.0)
Maintenance	\$ 130.3	\$ 147.5	\$ 174.6	27.1
Road Operations	\$ 284.0	\$ 293.7	\$ 311.9	18.2
Planning	\$ 26.2	\$ 25.0	\$ 27.2	2.2
Environmental Documentation	\$ 32.3	\$ 17.6	\$ 20.2	2.6
	\$ 2,073.6	\$ 2,193.3	\$ 2,439.4	\$ 246.1

FUND	MAJOR PROJECT DESIGNATION	JOB FULL COST
270	CROSSTOWN	\$93,871,912.79
270	35W BRIDGE AND/OR RELATED	\$71,229,802.74
272	CROSSTOWN	\$25.80

FY 2009

\$165,101,741.33

FUND	MAJOR PROJECT DESIGNATION	JOB FULL COST
270	TH 212 4 LANE FREEWAY	\$67,616,554.89
270	CROSSTOWN	\$99,293,341.79
270	35W BRIDGE AND/OR RELATED	\$235,611,871.27

FY 2008

\$402,521,767.95

TH 212 4 LANE FREEWAY	\$67,616,554.89
CROSSTOWN	193,165,280.38
35W BRIDGE AND/OR RELATED COSTS	306,841,674.01

**TOTAL CONSTRUCTION ON
MAJOR PROJECTS**

\$567,623,509.28