

State Construction Program Outlook – November 2024

TRANSPORTATION FUNDING SUMMARY

Funding from 2023 and 2024 Legislature Sessions impacting the program:

- \$50.5M/year base State Road Construction budget increase
- \$215M one-time Trunk Highway non-designated bonds
- \$205M one-time funding for IIJA discretionary grant match
- \$158M one-time funding to six named road and bridge projects
- \$168M Trunk Highway bonds and \$50M Trunk Highway cash for Corridors of Commerce (CoC) program
- \$9M of State Road Construction (SRC) funding for bridges

SFY 2025 Funding Allocations - \$ in Millions (Excluded CoC and Non-Designated Bonds)	
District	Regular SRC Program
District 1	98 (8%)
District 2	57 (5%)
District 3	114 (10%)
District 4	75 (6%)
District 6	72 (6%)
District 7	83 (7%)
District 8	82 (7%)
District Metro	512 (44%)
District C Statewide	64 (6%)
Total	1,157

Transportation Investment Priorities:

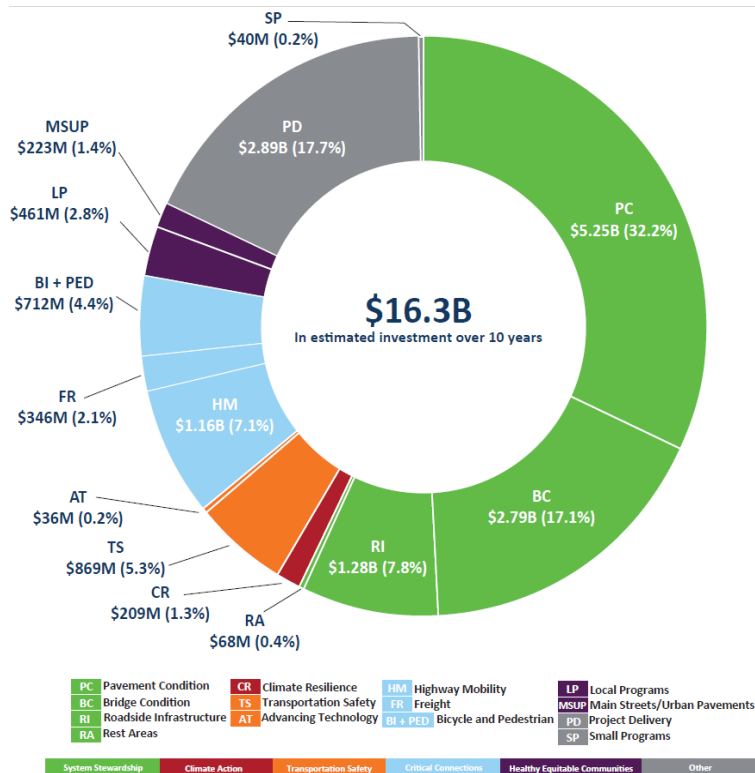
- Increase investments in bridges
- Address funding gaps and inflationary impacts in existing projects
- Deliver additional Infrastructure Investment and Jobs Act (IIJA) federal funding within MnSHIP framework
- Implement new IIJA programs

Impact to Bridge Condition by 2028			
Category	2023 (Current)	MnSHIP Target	2028 (Forecast)
NHS Good	27.8%	55%	24.1%
NHS Poor	6.7%	5.0%	3.8%
Non-NHS Good	29.2%	50%	22.8%
Non-NHS Poor	3.4%	8.0%	6.5%
Source: MnDOT Bridge Office, Bridge Replacement and Improvement Management (BRIM)			

Impact to Pavement Condition by 2028 Predicted % Poor (RQI <= 2.0)			
System	2023 (Current)	MnSHIP Target	2028 (Forecast)
Interstate	0.1%	2.0%	0.7%
Other NHS	0.5%	4.0%	2.6%
Non-NHS	1.5%	8.0%	4.4%
Source: MnDOT Pavement Management Unit, Office of Materials and Road Research			

TEN-YEAR CHIP GUIDANCE COMPARED TO INVESTMENTS, SFY2025-SFY2034

CHIP Investment:



The final 2025-2034 CHIP is anticipated in November. There are some differences between the guidance and the planned investment in the CHIP. Some of the differences to note include:

- Corridors of Commerce (CoC) projects, locally led projects, and projects funded through IIJA competitive solicitations are creating higher overall investment than guidance.
- The Blatnik Bridge is scheduled for replacement with a current estimated cost of \$1.8 billion. The project cost will be split by Minnesota and Wisconsin. The project received a federal grant for over \$1 billion.
- Higher Traveler Safety investment related to increased safety improvements on a few larger projects in the STIP.
- Higher Highway Mobility investment due to Twin Cities metro area mobility projects initiated through the Corridors of Commerce program and/or local partners.
- Freight investment is under programmed because some of the projects are not on the state highway system.
- Higher investment in Pedestrian and Bicycle and Local Partnerships is due to federal solicitation projects.
- Roadside Infrastructure investments are higher and evenly spread across all districts.
- Project Delivery investment remains just under the MnSHIP guidance.

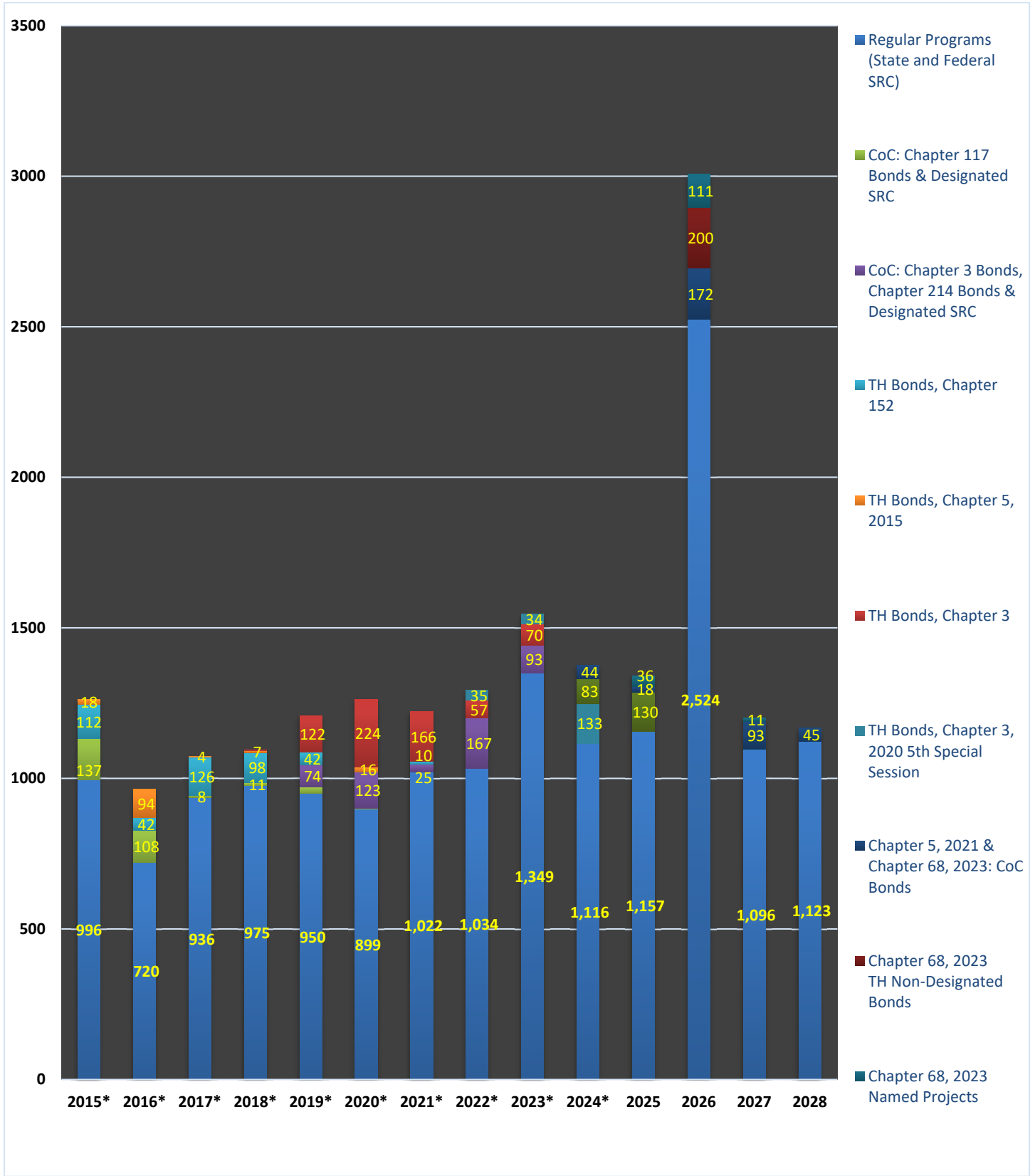
Comparison to MnSHIP:

INVESTMENT CATEGORY	10-YEAR CHIP	MNSHIP GUIDANCE	DIFFERENCE FROM MNSHIP	DIFFERENCE FROM MNSHIP (\$ IN MILLIONS)
Pavement Condition	32.2%	35.1%	-3.0%	\$157
Bridge Condition	17.1%	18.0%	-0.9%	\$174
Roadside Infrastructure Condition	7.8%	6.6%	1.2%	\$315
Rest Areas	0.4%	0.4%	0.1%	\$15
Climate Resilience	1.3%	1.3%	-0.1%	\$16
Transportation Safety	5.3%	3.8%	1.5%	\$321
Advancing Technology	0.2%	0.3%	-0.1%	-\$7
Highway Mobility	7.1%	4.9%	2.2%	\$454
Freight	2.1%	2.4%	-0.3%	-\$9
Pedestrian and Bicycle	4.4%	3.5%	0.8%	\$199
Local Partnerships	2.8%	2.6%	0.3%	\$91
Main Streets/Urban Pavements	1.4%	2.0%	-0.6%	-\$68
Project Delivery	17.7%	18.7%	-1.0%	\$174
Small Programs	0.2%	0.3%	-0.1%	-\$10
TOTAL (\$ IN MILLIONS)	\$16,330	\$14,508		\$1,822

*Planned investment is higher than MnSHIP guidance. Therefore, when comparing to MnSHIP guidance, some investment categories have higher planned total investment and lower investment as a percent of total.

MNDOT CONSTRUCTION SFY2025-SFY2028 OUTLOOK

(\$ IN MILLIONS)



*Actuals

*The large increase to FY 2026 SRC is due to the Blatnik Bridge Federal grant.

2025-2028 STIP Investments - \$ in Millions

(Excluding CoC and Non-Designated Bonds)

Investment by Category	SFY 2025	SFY 2026	SFY 2027	SFY 2028
Pavement	516	590	555	463
Bridge	184	1,460	63	58
Safety	72	51	73	72
Major Construction	54	92	47	49
Others*	331	331	358	481
Total	1,157	2,524	1,096	1,123

*Others includes Bike Trails, Municipal Agreements, Consultant Agreement, Drainage, Enhancement, Local Partnership, Miscellaneous Agreements, Noise Walls, Planning, Rest Area/Beautification, Right-of-Way, Supplemental Agreements/Cost Overruns, Traffic Management. ***The large increase to FY 2026 SRC is due to the Blatnik Bridge Federal grant.**

**CONSTRUCTION PROJECTS IN SFY2025
ESTIMATED COST >\$15M**

DIST.	ROUTE SYSTEM	SP	SFY	PROJECT DESCRIPTION	\$ IN MILLIONS
1	US 53	6918-103	2025	US 53 in Eveleth from 0.1mi south Jct. MN 37 to 1 mi. south MN 135, unbonded overlay, replace BR#9493 with new BR#69144 & BR#9494 with new BR#69145 and at Jct. US 53 & CASH 142(Park Ave)/Progress Way, construct roundabout & Jct. CSAH 146/Hatrick Ave construct reduced conflict intersection	18
3	US 10	8001-44	2025	US 10 from 1.3 mi west of CSAH 75 to 3rd street in Wadena and from Wadena CASH 4 to 0.4 miles east of Oink Joint Rd., reconstruct (4-lane expansion) from 3rd street in Wadena to Wadena CSAH 4, lane reconfiguration & RABS at US 10 & Ottertail CSAH 92 and US 10 & Wadena CSAH 54 (Harry Rich Dr.)	50
4	I 94	5680-147	2025	I-94 eastbound from 1.0 mile west of CSAH 11 to south of US 59 near Fergus Falls, concrete unbonded overlay, mill and overlay, RWIS	22
7	MN 60	0708-47	2025	MN 60 from 0.4 mi west of CR 20 to 0.3 mi east of Co Rd. 112, in lake crystal, reconstruct, rehab bridge 07003, construct ped/bike trail, unsignalized green t intersection and ADA	18
7	CSAH 21 MN 22	0714-35	2025	MN 22, intersection of CSAH 21 & TH 22 reconstruct/roundabout; intersection of CSAH 57 & TH 22 reconstruct/continuous tee; from 500' north of CSAH 26 to approximately 1600' south of CSAH 57, full depth reclaim and overlay; from approximately 1600' south of CSAH 57 to MN River Bridge in St. Peter, reconstruct, lighting, replace BR 8436; rehab BR 07036, 40003; extend bridge 40x02 and construct new bridge 40x08	29
8	MN 23, US 71	3412-76	2025	US 71 southbound – south Jct. MN 23 to north bus. 71 & MN 23 - 0.25 miles west of CSAH 5 to west Jct. US 71, unbonded concrete overlay	22
M	US 10	0215-87	2025	US 10 from CSAH 78 (Hanson Blvd.) to CSAH 9 (Round Lake Blvd.) in Coon Rapids - expand from two lanes to 3 lanes, ultra-thin bonded wearing course existing mainline pavement, construct noise walls	33
M	I 35W	1981-140N	2025	I-35W from Jct. 35E/35W to 0.4 mi north of Cliff Rd. in Burnsville - mill bituminous pavement, concrete overlay, reconstruct concrete pavement, reconstruct bituminous pavement, replace BR#6583 (new BR 19911), construct auxiliary lanes, construct additional southbound exit at CSAH 42, signal system, continuous roadway lighting, and ADA improvements, and on MN 13 at I-35W - replace BR#9779 (new BR 19098) and BR#9780 (new BR 19097) and install high tension cable median barrier	75
M	I 94	2781-544	2025	I-94 from 0.1 mi west MN 55 to 0.2 mi east Franklin Ave southeast in Mpls - repair bridges 9350, 9421, 27855, 27859, 27863, construct crossovers, guardrail	16
M	I 394	2789-174	2025	I-394, from MN 100 to 11th street north and on I-94 from Glenwood Ave north to I-394 in Mpls rehab 28 bridges on I-394 and 6 bridges on I-94, lighting, sidewalk, ADA, concrete pavement rehab	79
M	I 94	6282-216	2025	I-94 from western Ave to Mounds Blvd. and I-35E from 10th street to Jackson Street in St. Paul- repair bridges 62703, 62706, 62889, 62877, 62898, 62888, 62891, 62894, 62893, paint bridges 62878, 62879; replace superstructure on bridges 9631 and 9632	25
M	US 169	7008-112	2025	US 169 0.4 mi south of MN 282 (2nd street west)/CSAH 9 (Quaker Ave) to 0.2 mi north of Syndicate Street in Jordan- construct interchange at CSAH 9 (Quaker Ave), roundabouts, signals, rehab BR 6802, 8840 and 70509, new BR 70052, 70556 and 70J68	16

**CONSTRUCTION PROJECTS IN SFY2026
ESTIMATED COST >\$15M**

DIST.	ROUTE SYSTEM	SP	SFY	PROJECT DESCRIPTION	\$ IN MILLIONS
1	I 35, MN 61, MSAS 166, 191, 193, 195	6925-145	2026	M 61 (London Rd.), northbound and southbound, in Duluth, from (MSAS 191) 26 Ave east to 0.14 mi. north (MSAS 195) 60th Avenue East, medium mill/overlay, trail, const roundabouts at (MSAS 191)26th Ave east, (MSAS 166) 40th Ave E, and I-35 southbound Jct. (MSAS 152) 21 Ave E & 26th Ave E install interstate closure gates	19
1	I 535	6981-26	2026	I-535, between Duluth & Superior Wisconsin over St. Louis River, replace Blatnik Bridge #9030 with new bridge 69913. MnDOT is lead agency. (Includes construction bid, final design and change orders/risk estimates	1,568
1	I 535	6981-26CE	2026	Blatnik new bridge#69913, construction administration and inspection. (MnDOT dot is lead agency)	81
1	I 535	6981-26PE	2026	Bridge preliminary engineering/external consultants. - 2026	20
2	MN 197	0416-55RA	2026	MN 197, eastbound & westbound, from 0.1 mi east of Hannah Ave to 0.1 mi west of Gillett Dr. in Bemidji, full urban reconstruction	16
2	MN 11	6803-43	2026	MN 11, from 0.6 mi west of CSAH 28, (Roseau) to 0.7 mi east of CSAH 35 (Warroad), bit reclaim	22
3	MN 210	1805-80	2026	MN 210, from Baxter Drive to end of 4-lane east of Brainerd, + urban regrade, mill and overlay, + BR 5060 redeck, rural surface transportation grant	47
3	MN 95	3006-39	2026	MN 95, from Fern Street to Fillmore Street in Cambridge, urban reconstruction, install fiber from CSAH 14 to Alabama Street+ ADA improvements	17
3	MN 25	8605-54	2026	MN 25, from north Buffalo to 0.5 mi south of Davidson Ave northeast in Monticello, reclaim include construction of roundabouts at Catlin Ave and Wright CSAH 37 and turn lane improvements at various intersections	15
4	I 94	2680-44	2026	I-94 westbound 0.4 miles east of Grant County line to 0.3 miles east of Jct. MN 79, unbonded overlay and minor bridge work #26801, #26802, #26803	16
6	US 14	5501-47	2026	US 14 and CSAH 44 construct grade separation	54
6	I 90	8580-175	2026	I-90, eastbound and westbound from 0.69 mi west CSAH-12 to near TH 61/Dakota, mill and overlay and bridge repair on 85803 and replace 85815 over Winona CR 101	17
8	US 75	5905-29	2026	US 75, from 0.12 miles south of CSAH 9 to County Road 57 (Pipestone), unbonded concrete overlay	16
M	US 8	1308-29	2026	US 8 (Lake Blvd.), from I-35 to Chisago County line in Forest Lake; reconstruct and U 8 (Lake Blvd.) from Chisago County line in Wyoming to Karmel Ave/Wyoming Ave in Chisago city-expansion of two-lane undivided to four-lane divided roadway, signals, trail bridges 82001, 82002, 13x02, 13x03	64
M	MN 65	0208-169	2026	MN 65 (Central Ave) between 103 Rd. Ave NE and 117th Ave NE in Blaine - construct interchanges at 105th Ave (BR #02065 and 02066), 109th Ave (BR #02067 and 02068) and 117th Ave (BR #02069 and 02070), frontage and backage roads, roundabouts, noise walls, drainage, signals, ADA	34

M	MN 65	0208-169R	2026	MN 65 (Central Ave) between 97th Ave to 121st Ave in Blaine - construct interchanges at 99th Ave (BR #02063 and 02064), 105th Ave (BR #02065 and 02066), 109th Ave (BR #02067 and 02068) and 117th Ave (BR #02069 and 02070), construct pedestrian bridge 02072 at 113th/114th Ave, construct frontage and backage roads, roundabouts, noise walls, drainage, signals, ADA	35
M	MN 243	1311-06	2026	MN 243 (Osceola) over St. Croix River in Franconia Twp- replace bridge #6347 (Osceola bridge)	48
M	MN 77	1929-50	2026	MN 77 (Cedar) from 138th St. (CSAH 23) to Dakota/Hennepin County line in Apple Valley - unbonded concrete overlay on south segment and medium mill and overlay on north segment	62
M	US 12	2713-129	2026	US 12 (Wayzata Blvd.) from 0.5 mi west Shoreline Dr. in Wayzata to 0.5 mi east of I-494 in Wayzata and Minnetonka - concrete reconstruct/bituminous mill and overlay/CPR, lighting, drainage improvements, ADA, pier protection on bridges 27129 and 27130	48
M	MN 252	2748-65	2026	MN 252 from I-94 to MN 610 and on I-94 from 4th Street N to MN 252 in Mpls, Brooklyn Center and Brooklyn Park - improve safety and mobility on and across MN 252 and I-94	96
M	MN 77	2758-75	2026	MN 77, from 0.2 miles s of BR #9600n in Eagan to American Blvd. in Bloomington - rehab bridges 27045, 27046, 27047, 27048, 27049, 27050, 27056, 27058, 9600n, 9600s	49
M	I 35W	2783-168	2026	Over I-35W at university and 4th Street in Mpls- replace BR #27882 and 27883	18
M	MN 280	6242-83	2026	MN 280, from Wabash in St. Paul to the junction with I-35W in Lauderdale - concrete pavement rehabilitation, mill and overlay, TMS, guardrail, and rehab bridges 62844, 6805, 6894, 62860, 9050, 62808, 62812	26
M	I 35E	6280-419	2026	I-35E from north exit of Shepard Rd. to MN 5 (West 7th St.) in St. Paul - replace concrete pavement, replace bridge 9534 (new BR 62947) over Shepard Rd. and overlay bridge 62912	19

CORRIDORS OF COMMERCE (COC) PROGRAM

2023 COC Project Selection

During the 2023 Legislative Session, an additional \$153 million of trunk highway bonds were added to the Corridors of Commerce program. The additional \$153 million brought the total funding available up to \$403 million. Eight projects were selected for Corridors of Commerce funding in June of 2023 with a total of \$381 million (listed below). The \$22 million available will be reserved for project readiness activities for potential future Corridors of Commerce candidate projects.

During the 2024 Legislative Session, another \$15 million of trunk highway bonds was designated towards the Corridors of Commerce program. The funding is being reserved for potential project increases to selected projects.

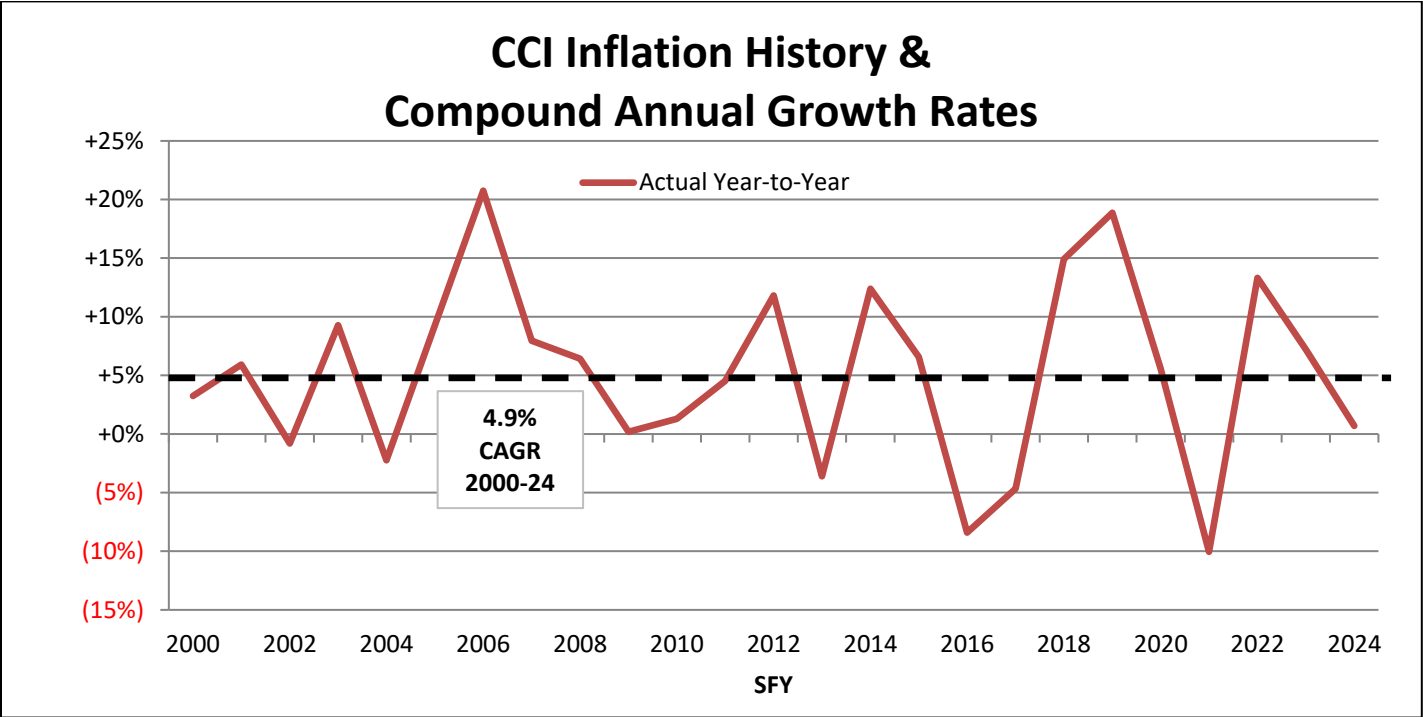
GEOGRAPHIC REGION	ROUTE	PROJECT DESCRIPTION	FUNDING AWARD	PROJECT STATUS
Metro District	Highway 10	Lane expansion Highway 10 in Coon Rapid from CSAH 78 to CSAH 9	\$8,000,000	In design, anticipated letting Winter 2025
Metro District	Highway 13	Grade separation Highway 13 in Savage/Burnsville from Quentin Avenue to Nicollet Avenue	\$96,000,000	In preliminary design
Metro District	Highway 65	Grade separation Highway 65 in Blaine from 103rd Avenue to 117th Avenue	\$30,000,000	In preliminary design
Greater Minnesota	Highway 53	Roadway improvements to Highway 53 from Eveleth to Virginia	\$18,000,000	In design, anticipated letting Winter 2025
Greater Minnesota	I-94	Lane expansion on I-94 from Albertville to Monticello	\$78,000,000	Under construction
Greater Minnesota	Highway 371 & 210	Construct grade separation in Baxter	\$58,000,000	In preliminary design
Greater Minnesota	Highway 14	Construct grade separation in Byron/Rochester	\$60,000,000	In design, anticipated letting Winter 2025
Greater Minnesota	Highway 23	Construct grade separation in New London	\$33,000,000	In preliminary design
Total			\$381,000,000	

For more information on the Corridors of Commerce program please visit:

www.dot.state.mn.us/corridorsofcommerce/index.html

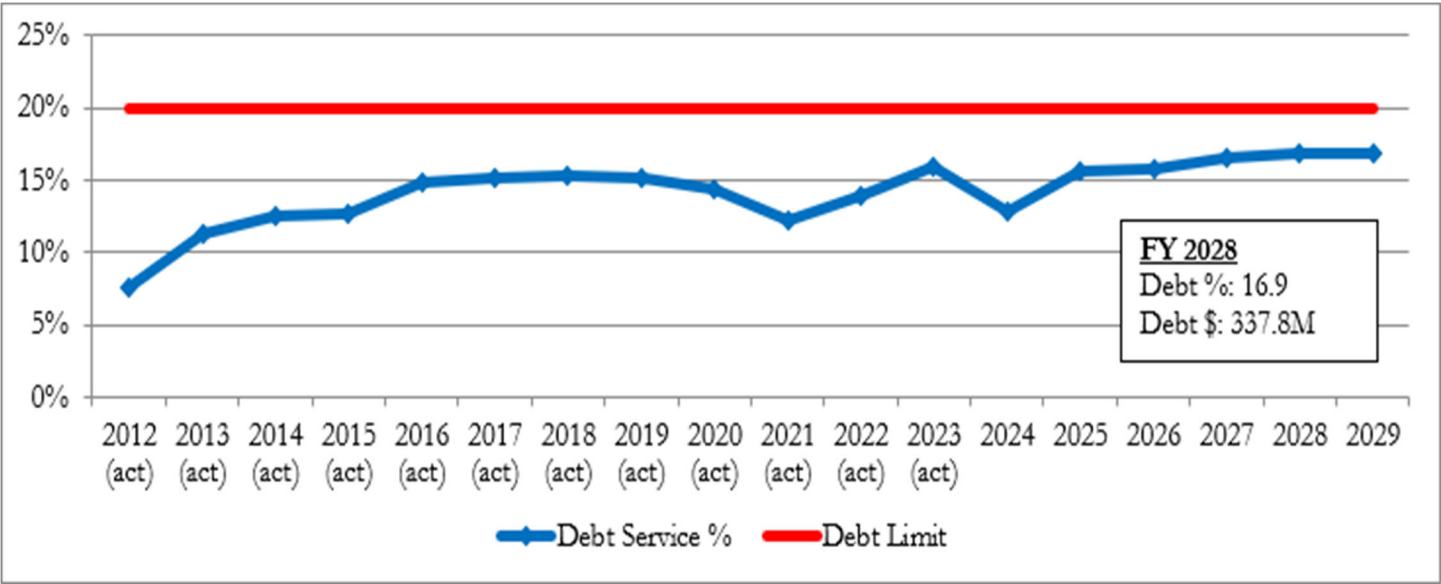
CONSTRUCTION COST INDEX (CCI) INFLATION PROJECTIONS

Headline SFY 2024 CCI inflation of +0.7% was just a tenth of the prior year rate (7.2%). Roadway excavation and structural concrete contributed the most upward pricing pressure, offset by easing prices for bituminous surfacing. For the sixth straight year, ¾+ of last year’s index-eligible construction program went to pavement work.



Construction Inflation Forecast			
SFY	October 2023 STIP+6 Guidance	October 2024 STIP+6 Guidance	October 2024 CAGR Guidance (2025-2035)
2025	+1%	+3%	+4%
2026	+3%	+2%	
2027	+4%	+3%	
2028	+4%	+3%	
2029	+3%	+4%	
2030 – 2035	+4%	+4%	

DEBT SUMMARY AS OF END OF SESSION 2024 FORECAST



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