

**To:** Cass County Board of Commissioners  
**From:** Cindy Gray, Executive Director  
**Date:** April 27, 2022  
**Re:** **Federal Funding as Transportation Management Area**

On April 21<sup>st</sup>, I explained the Transportation Management Area (TMA) funding scenario being proposed by NDDOT to Metro COG's Policy Board. The proposal raised some concerns among Policy Board members, and I was asked to bring the matter to the full boards and commissions of Fargo, Horace, West Fargo and Cass County.

The questions that Metro COG wishes to explore further with NDDOT are explained in the attached letter to the Local Government Division. Much of the discussion revolves around the future use of National Highway Preservation Program funds on the National Highway System roadways within our metropolitan area.

I will explain this at the meeting on May 2<sup>nd</sup>, and ask for support from City and County leadership in pursuing this matter further with NDDOT leadership.

April 26, 2022

Mr. Paul Benning, P.E.  
Local Government Engineer  
608 East Boulevard Avenue  
Bismarck, ND 58505-0700

Subject: Fargo-Moorhead Metropolitan Council of Governments (Metro COG) TMA Project  
Programming Priorities 2023-2025 and Funding Information Provided by NDDOT

Dear Paul:

Thank you for the time and conversation with Local Government staff in recent months as Metro COG prepares to transition into a Transportation Management Area (TMA). We understand that this MPO designation is new to NDDOT, just as it is new to our organization. We appreciate the thought and time that has been put into preparing for the designation.

Your letter of March 25, 2022 provided an estimate of funds that will be directly sub-allocated to the TMA, as well as information about NDDOT's intentions with respect to NHPP funds. In that letter, you requested that we review the estimate of funds and the projects currently programmed in the Transportation Improvement Program and confirm that the projects included continue to be the urban road and transportation alternative program (TAP) priorities for the TMA.

In April, we brought the information in your letter forward to our Transportation Technical Committee and our Policy Board. We provided the funding information shared in your letter of March 25, 2022 along with the estimated costs of the programmed projects. Generally speaking, the TTC and Policy Board confirmed that the projects included in the TIP continue to be priorities for the Cities of Fargo, Horace, and West Fargo. However, the review and discussion of the information raised several questions that we have been asked to pursue with NDDOT, and until we have answers to those questions, I am not fully able to say that this is the complete list of priority projects. Policy Board members also asked that this information be presented to the Cass County Board of Commissioners, Fargo City Commission, Horace City Council and West Fargo City Commission.

### Transportation Funding Information

The following is a breakdown of the information you shared with us in your letter regarding funding:

North Dakota STBG Apportionment with Obligation Authority Ratio Estimated at 90 Percent				
Year	2023	2024	2025	2026
Surface Transportation Block Grant (STBG)	\$8,716,724	\$8,891,058	\$9,068,879	\$9,250,257
National Highway Preservation Program (NHPP) - share proportional at % of National Highway System (NHS)*	\$1,857,890	\$1,895,047	\$1,932,948	\$1,971,607
<b>Yearly Estimated Total</b>	<b>\$10,574,614</b>	<b>\$10,786,105</b>	<b>\$11,001,827</b>	<b>\$11,221,864</b>

\*NDDOT has indicated NHPP funds can be used as STBG.

North Dakota TA Apportionment with Obligation Authority Ratio Estimated at 90 Percent				
Year	2023	2024	2025	2026
Transportation Alternatives (TA)	\$725,159	\$742,285	\$759,753	\$777,571

North Dakota Carbon Reduction Apportionment with Obligation Authority Ratio Estimated at 90 Percent				
Year	2023	2024	2025	2026
Carbon Reduction	\$1,023,139	\$1,043,602	\$1,064,474	\$1,085,763

During follow-up conversations, NDDOT staff indicated that the proposed NHPP funds could be used as STBG funds, and not limited to NHS roadways.

Attachment 1 to this letter shows the total of 2022-2025 funding based on information provided by NDDOT in comparison to the programmed projects. The first year shown is the current year of 2022, which is pre-TMA, since our designation will not occur until October 1, 2023. As you can see from the tables for 2023 and 2024, NDDOT has two projects programmed in our TIP – one in 2023 and another in 2024 – on Main Avenue (US Highway 10). These two projects are programmed to use NHPP funds totaling approximately \$12.4 million. This raises a few questions, some of which are specific to these projects, and some which are more relevant to the overall proposed TMA funding scenario:

1. Is it NDDOT’s intent to use NHPP funds for these two state projects as currently programmed in the TIP and STIP?

These projects were programmed when it was clear that Metro COG would be transitioning to a TMA. The mock certification review was completed, and an estimate of Metro COG’s STBG funding was underway for use in the MTP. Since Main Avenue is on the US Highway System and under jurisdictional control of NDDOT, we believe these NDDOT projects should continue to use programmed NHPP funds. Metro COG believes that NDDOT should maintain those roadways under their jurisdictional control, continuing the cooperation with the Cities of Fargo and West Fargo. Metro COG and our local partners are open to participating in those projects on a case-by-case basis, and would ask NDDOT to engage us during the annual solicitation process to determine financial participation.

If the funding programmed for these projects remains the same, Metro COG needs to begin working with our local jurisdictions immediately to program additional projects to use the remaining STBG direct sub-allocation, since projects selected during the solicitation process do not use up the expected direct sub-allocation.

2. If it is NDDOT’s intent to use NHPP funds for these two projects, would the proposed sharing of NHPP funds in 2023 and 2024 (\$1,857,890 and \$1,895,047 respectively) be in addition to the NHPP dollars designated for these projects or included in the amounts designated.

It is important that we understand this so we can work with our local jurisdictions to ensure programming of the correct amount of funds.

3. If it is not NDDOT's intent to use NHPP funds on NHS roadways within the urbanized area on a case-by-case basis, would we also be required to fund projects on State jurisdiction roadways with STBG funds in perpetuity without access to additional NHS funding?
4. Moving forward to future years, Metro COG and our local jurisdictions believe it would be more fitting for the continued use of NHPP funds in our metro area on a project-by-project basis on the non-interstate portions of designated highways within our urbanized area, as opposed to accepting an annual amount equivalent to approximately one percent of the state's NHPP allocation.

Our urbanized area has heavily traveled roads such as US Highway 81 (19<sup>th</sup> Avenue N, University Drive and 10<sup>th</sup> Street), Highway 294 (12<sup>th</sup> Avenue N), and Highway 10 (Main Avenue). Roadways such as 19<sup>th</sup> Avenue N already need reconstruction, and should be reconstructed with the use of NHPP funds.

Discussions with other TMAs and State Departments of Transportation in Minnesota, Iowa, Wisconsin and Kansas have informed us that those states use NHPP funds on non-interstate roadways within their TMA urbanized areas. We do not understand why NDDOT would not continue to use those funds on the NHS-designated non-interstate roadways for which the state is responsible.

5. In 2021, NDDOT programmed a 2025 bridge project on 12<sup>th</sup> Avenue N at the BNRR Bridge using STBG funds. This project did not go through our MPO prioritization process, yet the programming of the project shows the use of STBG funds.

This is an example of a project that would be appropriate for the use of NHPP funds, since the roadway is designated as Highway 294.

6. Has NDDOT considered sharing the Congestion Management Air Quality (CMAQ) funds specifically with the urbanized areas that have the highest levels of traffic congestion and the highest traffic volumes?

Since North Dakota and the MPO urbanized areas are all currently attainment areas, we are fortunate that we don't need to specifically designate the use of those funds on congestion management types of projects. However, in other states, such as Kansas, for example, which is also an air quality attainment state, the state's allocation of Congestion Management Air Quality funds is shared with the TMAs within the state. The TMAs are then able to apply the use of the funds toward projects that reduce congestion, staying true to the intent of the funds.

As you can see, the questions posed above primarily focus on NHPP, CMAQ and STBG funds. We do not have as many questions pertaining to TAP funds, and have seen that the Federal guidance was recently released with respect to the Carbon Reduction Program. There are many more questions which are likely to come up in the next couple of years as Metro COG makes this transition, and we are thankful that your division is working with us to answer those questions. The questions cited here start to frame up some of the concerns expressed by our city and county officials and elected leaders, and it is

important that we have clear answers to these questions moving forward. I look forward to hearing from you regarding answers to these questions.

Sincerely,

Cindy Gray, AICP  
Executive Director

**Table 2: ND Portion of UZA Programmed STBG-U Projects, 2022-2025**

2022 - PRE-TMA	Total	STBG-U	CRRSAA	State	Local
<b>Fargo</b>					
32nd Ave S (32nd St to 25th St)	\$16,000,000	\$7,130,000	\$808,620	\$0	\$8,061,380
52nd Ave S (63rd St to Sheyenne) - Pending	\$7,000,000	\$5,000,000	\$0	\$0	\$2,000,000
Transit Capital Bus Purchase - Pending	\$1,250,000	\$1,000,000	\$0	\$0	\$250,000
<b>West Fargo</b>					
9th St E (13th Ave E to Main Ave)	\$584,000	\$0	\$386,710	\$0	\$197,290
<b>Total of Federally Funded STBG-U Projects</b>	<b>\$24,834,000</b>	<b>\$13,130,000</b>	<b>\$1,195,330</b>	<b>\$0</b>	<b>\$10,508,670</b>

2023 - TMA	Total	STBG-U	NHS-U	State	Local
<b>Fargo</b>					
42nd St/I-94 Separation Structure Rehab	\$275,680	\$223,108	\$0	\$0	\$52,572
Transit Capital Bus Purchase - Pending	\$1,250,000	\$1,000,000	\$0	\$0	\$250,000
<b>NDDOT</b>					
Main Ave (Univ. to 25th St) - Pending	\$15,412,522	\$0	\$8,369,948	\$1,226,416	\$5,816,158
<b>Total of Federally Funded STBG-U &amp; NHS-U Projects</b>	<b>\$16,938,202</b>	<b>\$1,223,108</b>	<b>\$8,369,948</b>	<b>\$1,226,416</b>	<b>\$6,118,730</b>
<b>Total of STBG-U + NHS-U</b>		<b>\$9,593,056</b>		<b>\$1,226,416</b>	<b>\$6,118,730</b>
<b>Estimated STBG Apportionment</b>		<b>\$10,574,614</b>			
<b>Surplus or shortfall of funding info provided:</b>		<b>\$981,558</b>			

2024 - TMA	Total	STBG-U	NHS-U	State	Local
<b>Fargo</b>					
32nd Ave S (25th St to Univ) - Pending	\$11,080,000	\$7,680,000	\$0	\$0	\$3,400,000
<b>NDDOT</b>					
Main Ave Slide Repair (US 10 at Sheyenne River)	\$5,001,000	\$0	\$4,047,000	\$454,000	\$500,000
<b>Total of Federally Funded STBG-U &amp; NHS-U Projects</b>	<b>\$16,081,000</b>	<b>\$7,680,000</b>	<b>\$4,047,000</b>	<b>\$454,000</b>	<b>\$3,900,000</b>
<b>Total of STBG-U + NHS-U</b>		<b>\$11,727,000</b>			
<b>Estimated STBG Apportionment</b>		<b>\$10,786,105</b>			
<b>Surplus or shortfall of funding info provided:</b>		<b>-\$940,895</b>			

2025 - TMA	Total	STBG-U	NHS-U	State	Local
<b>Fargo</b>					
36th St S at Rose Coulee - Pending	\$380,000	\$307,534	\$0	\$0	\$72,466
<b>West Fargo</b>					
9th St E (Main Ave to 12th Ave N) - Pending	\$9,400,000	\$7,520,000	\$0	\$0	\$1,880,000
<b>NDDOT</b>					
12th Ave N at BNRR Bridge - Pending	\$644,606	\$521,680	\$0	\$58,465	\$64,461
<b>Total of Federally Funded STBG-U Projects</b>	<b>\$10,424,606</b>	<b>\$8,349,214</b>	<b>\$0</b>	<b>\$58,465</b>	<b>\$2,016,927</b>
<b>Estimated STBG Apportionment</b>		<b>\$11,001,827</b>			
<b>Surplus or shortfall of funding info provided:</b>		<b>\$2,652,613</b>			

2026 - TMA - Projects to be Selected Locally, as previously prioritized	Total	STBG-U	Other (Clay Co, Moorhead)	State	Local
<b>Fargo</b>					
1. Broadway Bridge Reconstruction	\$7,500,000	\$4,200,000	\$2,250,000	\$0	\$1,050,000
2. 40th Ave S Bike Ped Bridge at Bluestem	\$4,000,000	\$1,760,000	\$1,800,000	\$0	\$440,000
3. Drain 27 and River Dr S Shared Use Paths	\$2,400,000	\$1,920,000	\$0	\$0	\$480,000
<b>Total of Prioritized Projects</b>	<b>\$13,900,000</b>	<b>\$7,880,000</b>	<b>\$4,050,000</b>	<b>\$0</b>	<b>\$1,970,000</b>
<b>Estimated STBG Apportionment</b>		<b>\$11,221,864</b>			
<b>Surplus or shortfall of funding info provided</b>		<b>\$3,341,864</b>			

Additional Project Submittals for 2026	Total	STBG-U	Other	State	Local
<b>Fargo</b>					
4. Transit Capital Bus Purchase	\$1,250,000	\$1,000,000	\$0	\$0	\$250,000
<b>West Fargo</b>					
5. Sheyenne St Reconstruction (40th to 52nd Ave E)	\$18,000,000	\$14,400,000	\$0	\$0	\$3,600,000
<b>Fargo</b>					
6. 45th Street Rehab (16th Ave N to I-94 Ramp)	\$10,800,000	\$8,640,000	\$0	\$0	\$2,160,000
<b>NDDOT Bridge Projects</b>					
No Submittals Thus Far	\$0	\$0	\$0	\$0	\$0
<b>Total of Additional Project Submittals</b>	<b>\$30,050,000</b>	<b>\$24,040,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,010,000</b>