Chapter 7

Implementation

In Chapter 6 we discussed the regional transportation vision for the ROCOG planning area and provided strategies that will help the region make progress towards the desired future by 2050. Chapter 7 now outlines the steps required to implement the future transportation system.

This chapter is divided into several sections, beginning with a high-level overview of federal, state, and local transportation funding sources. Next, we summarize the methodology used for revenue forecasting and present projected revenue forecasts for each jurisdiction within the ROCOG's planning area. The chapter concludes with a review of recommended planning studies and preliminary project design efforts from this MTP.

7.1. Financial programs

Transportation funding for the ROCOG planning area comes from federal, state, and local sources; many projects are funded by a combination of these sources. Most of these projects are included in ROCOG's federally mandated Transportation Improvement Program (TIP), a four-year schedule of fiscally constrained transportation and transit projects. The TIP is updated annually and serves as an implementation tool of the MTP.

7.1.1 Federal funding

The Federal Highway Administration provides funding for roadways, while the Federal Transit Administration funds transit-related projects. Congress distributes this money

through the Federal Highway Trust Fund (HTF), which is supported by a 18.4 cent/gallon gasoline tax, a 32.6 cent/gallon diesel fuel tax, and taxes on tires and heavy vehicles. Local matches are typically required to obtain federal funding.

Periodically, additional federal funding opportunities may arise through special programs or transportation-related programs in other agencies such as FEMA. Most of these programs are considered competitive grant funding and require applications.

7.1.2 State funding

MnDOT coordinates with local governments to distribute state transportation funds. Transportation bonds, state gas tax revenue (28.5 cents/gallon), registration taxes and fees, and vehicle sales taxes are the primary sources of state funding. Most of this money is spent on roads in the MnDOT system, but local governments may obtain some of this funding through state and federal grant programs. MnDOT also provides construction and maintenance funds to all counties and to cities with populations over 5,000 for designated roadways through the county/municipal state aid program. These funds may be used as the local match required for federal funds or to fully fund transportation projects. The title of common state programs include State Trunk Highway Funds, County State Aid Highway (CSAH) funding and Municipal State Aid Systems (MSAS). Additionally, Minnesota has competitive programs such as the Corridor of Commerce and Active Transportation funding.

The City of Rochester and specifically the downtown area around the Mayo Clinic, is eligible to receive one of the most unique state funding sources called the Destination Medical Center (DMC) state infrastructure funds. As a public-private partnership, the State has set aside $585 million in state infrastructure funding over 20 years to support $5-6 billion in private investment. The state's funding is structured around private investments. After an initial $200 million of private investments, the state will provide $2.75 annually for general infrastructure and $0.45 for transit infrastructure for every $100 of private investment. The goal of the program is to support infrastructure advancements, particularly sewer and water service, to support growth and development of downtown, primarily the cause of Mayo Clinic investments.

7.1.3 Local funding

Local taxes and bonding mechanisms provide funds for county and city projects in the ROCOG area. Property taxes, general funds, sales taxes, wheelage taxes, special assessments, and bonds are examples of local transportation funding sources. These funds may be used to meet the local match required for federal funds or to fully fund transportation projects.

Olmsted County currently has both a wheelage ($20) and local option sales (gas) tax (0.50%). The City of Rochester has a general (all products) sales tax (0.75%).

7.1.4 Transit funding

Transit funding for Rochester Public Transit comes from the City of Rochester, state and federal funds, fare revenues, and subsidies. To date, the City of Rochester has never utilized levy to support the transit operations.

Rolling Hills Transit is funded by state and federal grants, farebox revenue, and contract services.

7.1.5 Funding gaps

Federal gas tax rates have not increased in many years. Coupled with greater vehicle fuel efficiency, this traditional source of transportation funding is increasingly unable to keep up with costs for system maintenance and construction. Thus, an important strategy to seek new sources of revenue is required to address the ROCOG planning area's transportation network needs.

7.2. Funding methodology and revenue forecast

7.2.1 Forecasting revenues

To develop revenue projections for 2050, ROCOG gathered historical transportation spending data from 2019 through 2024 from the State of Minnesota, State Auditor's office. The auditor's information is presented as either operations and maintenance expenditures or capital (outlay) expenditures and include the following:

Operations and maintenance: These budgeted expenditures reflect the costs associated with the maintenance and repair of local highways, streets, bridges, and street equipment. Common expenditures include patching, seal coating, street lighting, street cleaning, and snow removal. Expenditures for road construction are not included in current expenditures but are accounted for as capital outlay

Capital (outlay): This category includes budgeted expenditures for road and bridge construction projects, including major rehabilitation and improvement projects for existing roads and bridges.

Taken together, the historical look at these two pots of funding over the last five years provides a reasonable estimate as to what funding each jurisdiction could expect to have as a base revenue (Table 1).

The information provided by the State Auditors' office reflects historical spending. A general annual increase of 10-20% in these expenditures has been observed across most agencies, primarily driven by a robust and expanding tax base. However, these expenditures are subject to change and could be reduced if economic conditions were to shift, as demonstrated by the impact of the 2021 COVID-19 pandemic.

Furthermore, these expenditure figures do not account for the actual needs of the system. Although each agency assesses its needs differently, a common challenge is financial limitation, particularly as the roadway system continues to expand and requires increasing funds for preservation. Chapter 4 provides a more detailed discussion of the system's needs.

To project an agency's revenue through the MTP planning horizon, ROCOG staff first calculated a base revenue by averaging five years of Minnesota Auditor's expenditure data.

Next, the staff applied a year-over-year revenue increase of 3.1% to the base figure. This adjustment accounts for regional growth, development, and rising revenues. The 3.1% inflation factor was chosen because it closely mirrors the 3.0% factor used in both MnDOT's Statewide Highway Investment Plan (MnSHIP) and ROCOG's previous 2045 LRTP. Staff also slightly increased this factor to better reflect the rise in construction costs and general economic inflation since 2020.

Table 1: ROCOG Area Transportation Revenue Forecast Summary

Source: Olmsted County/ROCOG calculations on data from the Office of the Minnesota State Auditor

	Base	Short-Term (2025-2030)	Mid-Term (2031-2040)	Long-Term (2041-2050)	Total
MnDOT (Within ROCOG area)	$3,636,943	$20,565,814	$51,865,622	$70,382,752	$142,814,187
Olmsted County	$45,635,407	$437,404,497	$1,103,105,193	$1,496,937,203	$3,037,446,893
Rochester	$27,954,344	$158,073,351	$398,650,529	$540,977,245	$1,097,701,125
Byron	$2,430,087	$13,741,409	$34,654,923	$47,027,468	$95,423,799
Stewartville	$843,301	$4,690,563	$11,829,290	$16,052,598	$32,572,451
Roadway Total	$80,500,082	$634,475,633	$1,600,105,557	$2,171,377,265	$4,405,958,455
Rochester Public Transit (RPT)	$29,887,367	$238,839,195	$418,235,476	$567,554,435	$1,224,629,107
Total Investment	$110,387,449	$873,314,828	$2,018,341,034	$2,738,931,700	$5,630,587,562

Revenue data was then separated into time bands: Short-Term (2025-2029), Mid-Term (2030-2039), and Long-Term (2040-2050).

Revenues are organized for each member jurisdiction by project timeframe over the next 25 years and includes the total anticipated funding.

The review of existing financials and forecasted revenues of jurisdictions, as well as other funding opportunities, provides an understanding of what resources will be available over the life of the Plan for project implementation.

7.2.2 Fiscal constraint analysis

MTP 2050 is required to be fiscally constrained per federal requirements and, therefore, must provide a reasonable outlook of anticipated revenue and expenditures for the next 25 years. With the help of the partner agencies, ROCOG created the following list of projects anticipated to occur in the next 25 years. The ROCOG Policy Board and public were provided opportunities to review and comment on the list. This list is considered fiscally constrained based upon the analysis incorporated over the next several pages.

Cost estimates were produced by the partner agencies. These planning-level cost estimates are developed based upon

the type of improvement, length, unit costs (specific to each jurisdiction), and facility type. Additional factors are considered that have the potential to increase planning-level costs beyond typical assumptions. These include the added multimodal infrastructure such as sidewalks and crossings, bike lanes, safety improvements, and estimated topographical challenges that could increase construction costs.

Estimated project costs were updated to a realistic cost based upon the anticipated year of expenditure (YOE). The YOE costs were estimated at the end point of each respective timeframe with an applied annual inflation rate of 3.1 percent. This provides a clearer picture of potential future project costs as labor and materials will inevitably continue to increase. The inflation rate was used for all applicable projects. Table 2 is the final detailed list of projects.

Table 2: MTP 2050 Constrained Project List

#	Corridor	Lead Agency	Description	2025 Estimated Construction Cost	Time Phase
1	7th St NE	Byron	Reconstruction to a 2 lane minor arterial standard	$6,000,000	Programmed
2	Country Club Rd	Byron	Construction new minor arterial to complete connection of Country Club Rd from CSAH 5 to CSAH 34 (Separate project from TH14 / CSAH 5)	$2,500,000	6 to 15 Years
3	Trail	Byron	Byron to Oxbow County Park	$1,500,000	6 to 15 Years
4	US 14	MnDOT	Resurface Hwy 14 from Hwy 52 to Olmsted County Rd 36	$3,600,000	Programmed
5	US 14	MnDOT	Resurface Hwy 14 from East of Dodge County Rd 9 to West of Olmsted County Rd 5	$1,900,000	Programmed
6	MN 30	MnDOT	Resurface Hwy 30 from 0.42 miles east of Hwy 63 to 0.22 miles west of Hwy 52	$7,400,000	Programmed
7	US 63	MnDOT	Roundabout on US 63 at County Road 112	$4,200,000	Programmed
8	I 90	MnDOT	Replace I-90 bridges over Hwy 52 and Reconstruct Interchange Ramps	$26,800,000	Programmed
9	RR	MnDOT	DME: Antiquated Signal System Replacement	$400,000	Programmed

#	Corridor	Lead Agency	Description	2025 Estimated Construction Cost	Time Phase
10	US 14	MnDOT	Reconstruction of US 14 and South Broadway in Rochester	$15,900,000	Programmed
11	MN 30	MnDOT	Mill and Overlay, Grading, ADA and traffic signal from US 63 to 0.03 mi east of 5th Ave NE (Stewartville)	$2,500,000	Programmed
12	US 52	MnDOT	Construction of Frontage Rd, US 52 south of Pine Island	$3,400,000	Programmed
13	US 52	MnDOT	Concrete repaving southbound Hwy 52 from Olmsted County Rd 12 to south junction of Hwy 60 and replace one box culvert	$17,600,000	Programmed
14	US 14	MnDOT	Resurface WB Hwy 14 from Byron to Rochester	$4,700,000	6 to 15 Years
15	US 14	MnDOT	Resurface EB Hwy 14 from Byron to Rochester	$4,700,000	6 to 15 Years
16	MN 74	MnDOT	Resurface Hwy 74 from Hwy 52 to east Hwy 14	$8,300,000	6 to 15 Years
17	I 90	MnDOT	Resurface I-90 from Hwy 63 to Olmsted County Rd 19	$14,900,000	6 to 15 Years
18	US 52	MnDOT	Resurface Hwy 52 from Hwy 80 (Chatfield) to Fillmore County Road 5	$15,000,000	Programmed
19	MN 247	MnDOT	Resurface MN 247 from Hwy 63 to Hwy 42	$6,300,000	6 to 15 Years
20	US 63	MnDOT	Repair Hwy 63 bridge over the Root River in Stewartville	$1,000,000	6 to 15 Years
21	US 63	MnDOT	Resurface Hwy 63 from the west junction with Hwy 16 to the Root River in Stewartville	$6,800,000	6 to 15 Years

#	Corridor	Lead Agency	Description	2025 Estimated Construction Cost	Time Phase
22	CSAH 44	Olmsted	Construct grade separation at US 14 and County Rd 44 & Reconstruct CSAH 44 from 19 ST NW to CSAH 4	$85,000,000	Programmed
23	CSAH 34	Olmsted	Reconstruction from CSAH 22 to CSAH 44	$6,600,000	Programmed
24	CR 124/ 48 ST NE	Olmsted	Reconstruct Gravel Rd to 2 lane Suburban Arterial from Hadley Valley Rd (CR124) to CSAH 11	$9,000,000	6 to 15 Years
25	CSAH 8	Olmsted	Reconstruction CSAH 8 to adjust curves and extend 4 lanes if needed (dependent on future development) from CR125 (Bamber Valley School) to 40 ST SW	$7,020,000	16 to 25 Years
26	48th ST NE (CR 124)	Olmsted	Extend 4 lane section from CSAH 33 through Hadley Valley Rd intersection	$4,930,000	16 to 25 Years
27	CR 117	Olmsted	Reconstruct 2 lane County Road to suburban arterial standard from 60 Ave SW to CSAH 8	$6,000,000	6 to 15 Years
28	CSAH 44	Olmsted	NW Bypass - Build 2 lanes of ultimate 4 lane expressway from 55 ST NW to TH 52	$10,200,000	6 to 15 Years
29	CSAH 3/TH 14	Olmsted	Construct Interchange	$33,000,000	6 to 15 Years
30	CSAH 5/TH 14	Olmsted	Construct Interchange	$57,000,000	6 to 15 Years
31	CSAH 44	Olmsted	Willow Creek Connection CSAH 25-TH 63 (SW Beltway from Willow Creek Study)	$50,000,000	16 to 25 Years
32	CSAH 1	Olmsted	CSAH 1 Realignment	$6,900,000	Programmed
33	US 63	Olmsted	CSAH 12, US 63 and MN 247 Roundabout	$4,100,000	Programmed
34	CSAH 1	Olmsted	CSAH 1 from TH30 to 97th street	$8,600,000	Programmed

#	Corridor	Lead Agency	Description	2025 Estimated Construction Cost	Time Phase
35	CSAH 34	Olmsted	CSAH 34 from CSAH 3 to CSAH 44	$6,000,000	Programmed
36	Trail	Olmsted	Stage Coach Trail Extension between West Olmsted County line to Rochester	$10,000,000	16 to 25 Years
37	Trail	Olmsted	Chester Woods Trail: Connections (50th Ave SE & CSAH 11)	$1,500,000	6 to 15 Years
38	Trail	Olmsted	Chester Woods Trail: Chester Woods Park to Eyota	$3,500,000	16 to 25 Years
39	Trail	Olmsted	Chester Woods Trail: (Whitewater County Trail) Eyota to Dover	$6,500,000	16 to 25 Years
40	Trail	Olmsted	Greater River Trail: South end to Eyota	$3,500,000	16 to 25 Years
41	CSAH 22 / Bandel Rd Intersection	Olmsted / Roch	Relocate East Frontage Rd intersection east approximately 800' to improve interchange operations	$8,900,000	16 to 25 Years
42	37th St /CSAH 22	Olmsted / Roch	Reconstruct intersection of 37th St NW / CSAH 22 / CSAH 33 / Broadway Ave	$4,100,000	6 to 15 Years
43	North Broadway	Rochester	Reconstruct from 14th St to Elton Hills Dr	$13,640,000	Programmed
44	CR 147	Rochester	Reconstruct CR 147 as urban arterial from 40 ST SW to CSAH 125	$15,850,000	Programmed
45	19 ST NW	Rochester	Reconstruct 2 lane township road to urban arterial from Ashland Dr to 60 AV NW	$7,700,000	Programmed
46	50 Ave NW	Rochester	Construct new urban arterial from CSAH 4 to 19 ST NW	$12,000,000	Programmed
47	East River Road	Rochester	Reconstruct existing two lane township road to urban industrial collector from 44 ST NE to CSAH 22	$6,700,000	16 to 25 Years

#	Corridor	Lead Agency	Description	2025 Estimated Construction Cost	Time Phase
48	Silver Creek Rd NE	Rochester	Reconstruct existing township gravel road to two lane urban collector from CSAH 22 East to approx. 40 Ave NE	$8,800,000	16 to 25 Years
49	Rochester Technology Campus	Rochester	Construct / Upgrade new urban arterial/ collector along north side IBM Campus to connect 37th ST NW and Valleyhigh DR NW	$14,000,000	16 to 25 Years
50	55th St NW	Rochester	Construct new roadway from 60th Ave NW to CSAH 3	$4,000,000	6 to 15 Years
51	Willow Creek Trail	Rochester	Regional trail connection from 28th St SW to Gamehaven Park	$5,500,000	Programmed
52	6th Street Bridge	Rochester	Construction of new bridge over Zumbro River at 6th St SE	$29,000,000	Programmed
53	Broadway Avenue South	Rochester	Reconstruction from 9th Street SE to Civic Center Drive NW	$25,000,000	16 to 25 Years
54	40th St SW	Rochester	40th Street Extension (Willow Creek Study)	$30,000,000	Programmed
55	Trail	Rochester	Douglas Trail: Construct grade separation at 60th Ave NW and 65th St NW	$3,000,000	16 to 25 Years
56	Civic Center Drive NE	Rochester	Civic Center Drive from 14/52 Interchange to North Broadway	$25,000,000	6 to 15 Years
57	3rd Avenue SE	Rochester	3rd Avenue SE from 3rd Ave Bridge to 9th Street SE	$14,000,000	Programmed
58	65th Street NW	Rochester	Intersection and Corridor improvements between 37th Ave NW to Bandel Road NW	$5,000,000	Programmed
59	Transit	RPT	North Broadway Park and Ride	$12,000,000	Programmed
60	Transit	RPT	Bus Rapid Transit	$165,000,000	Programmed
61	15th Ave NE	Stewartville	Reconstruct current township gravel road to two lane urban arterial standard	$3,000,000	6 to 15 Years

#	Corridor	Lead Agency	Description	2025 Estimated Construction Cost	Time Phase
62	2nd Ave NE	Stewartville	Construct small urban collector on new alignment from Luella Pl to intersection of TH 63 and Schuman Dr	$2,500,000	6 to 15 Years
63	Trail	Stewartville	Blue Stem Trail	$4,000,000	16 to 25 Years
64	Schumann Drive Roundabout	Stewartville	US 63 and Schumann Drive Roundabout	$4,000,000	Programmed
65	20th St NW	Stewartville	20th St NW from Petersen Dr NW to US 63	$3,000,000	16 to 25 Years

Figure 1: MTP 2050 Project Location - MnDOT Projects

Source: ROCOG

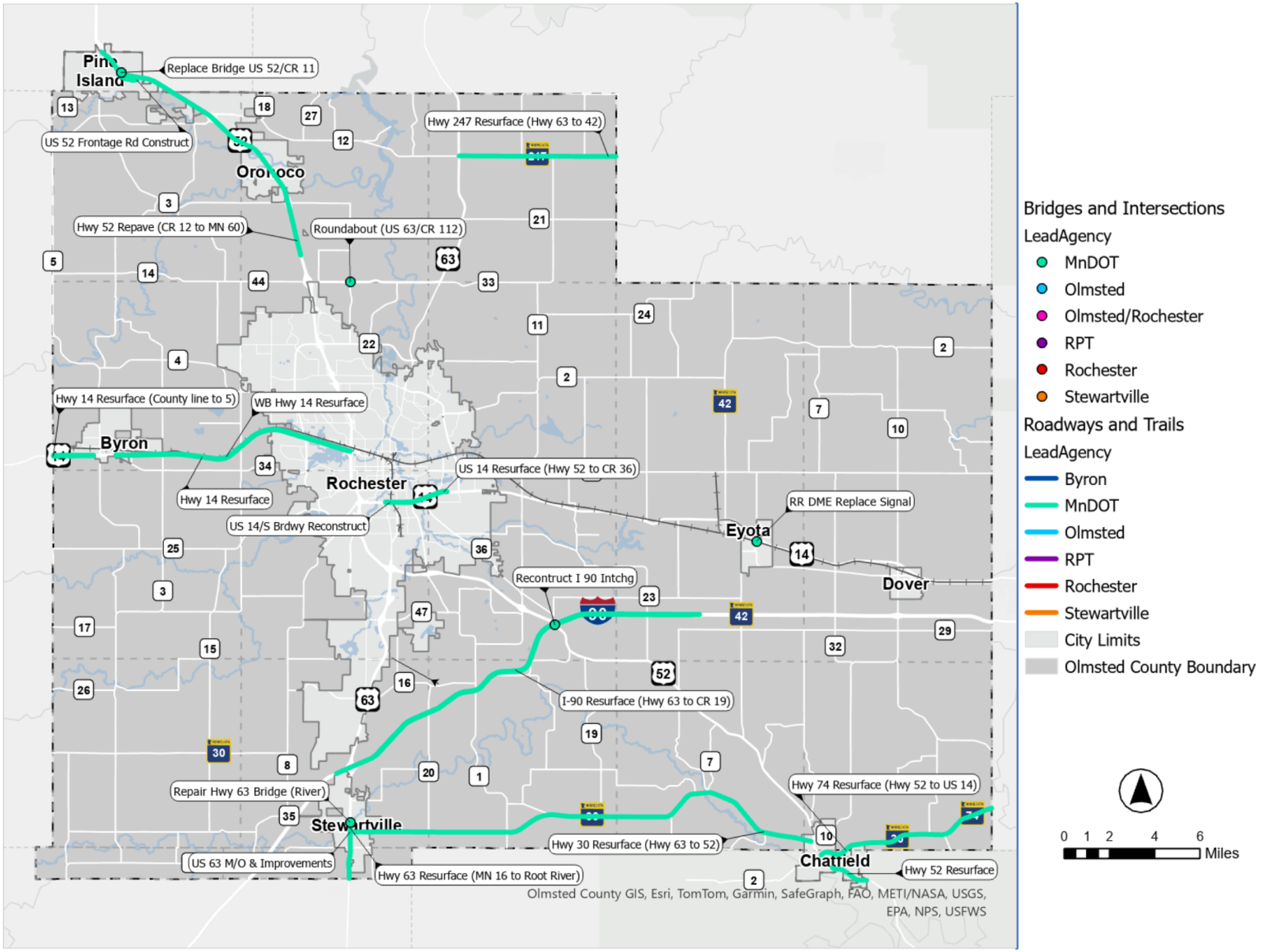


Figure 2: MTP 2050 Project Location - Olmsted County and Olmsted/ Rochester Projects

Source: ROCOG

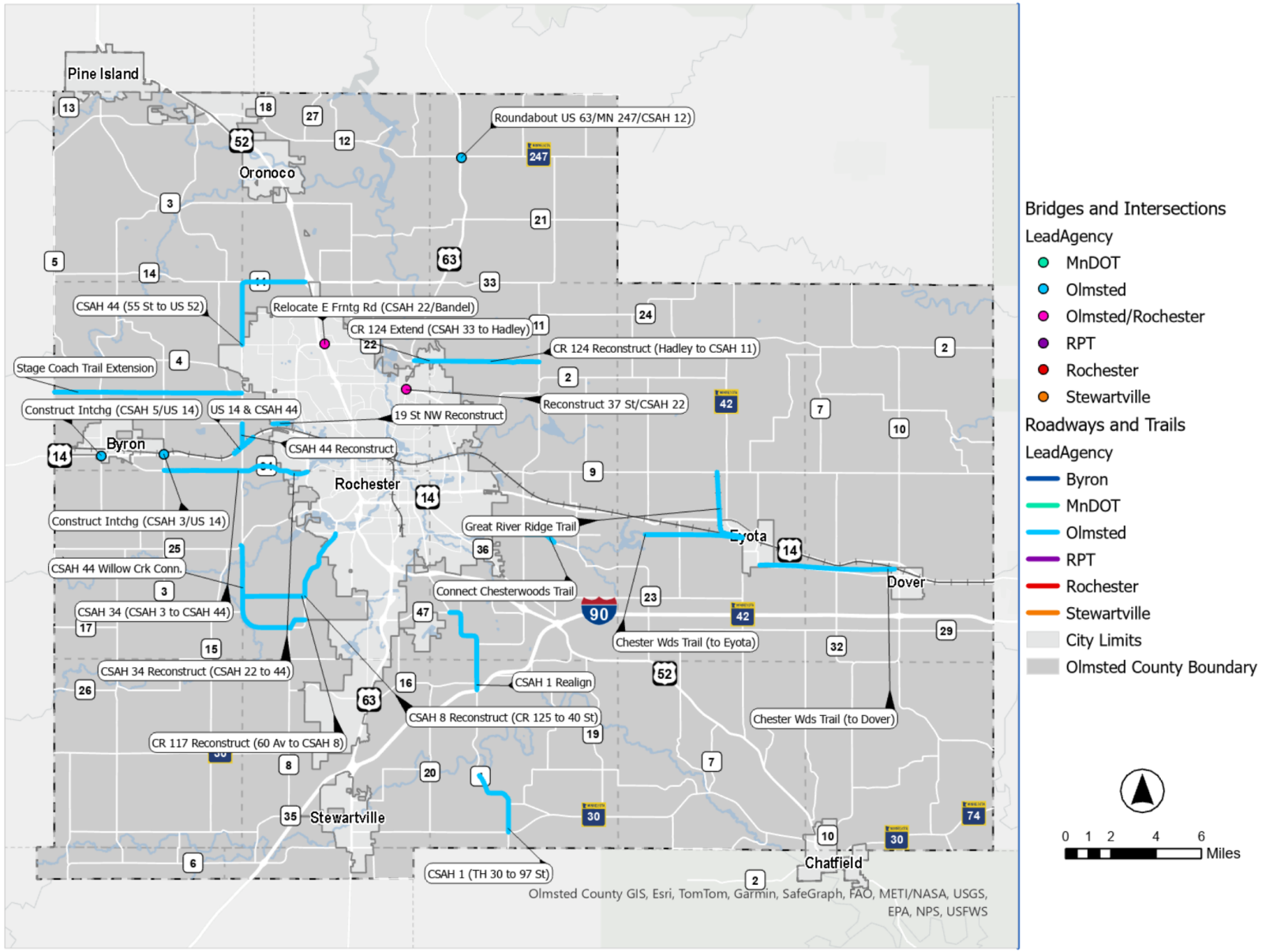


Figure 3: MTP 2050 Project Location - Rochester and RPT Projects

Source: ROCOG

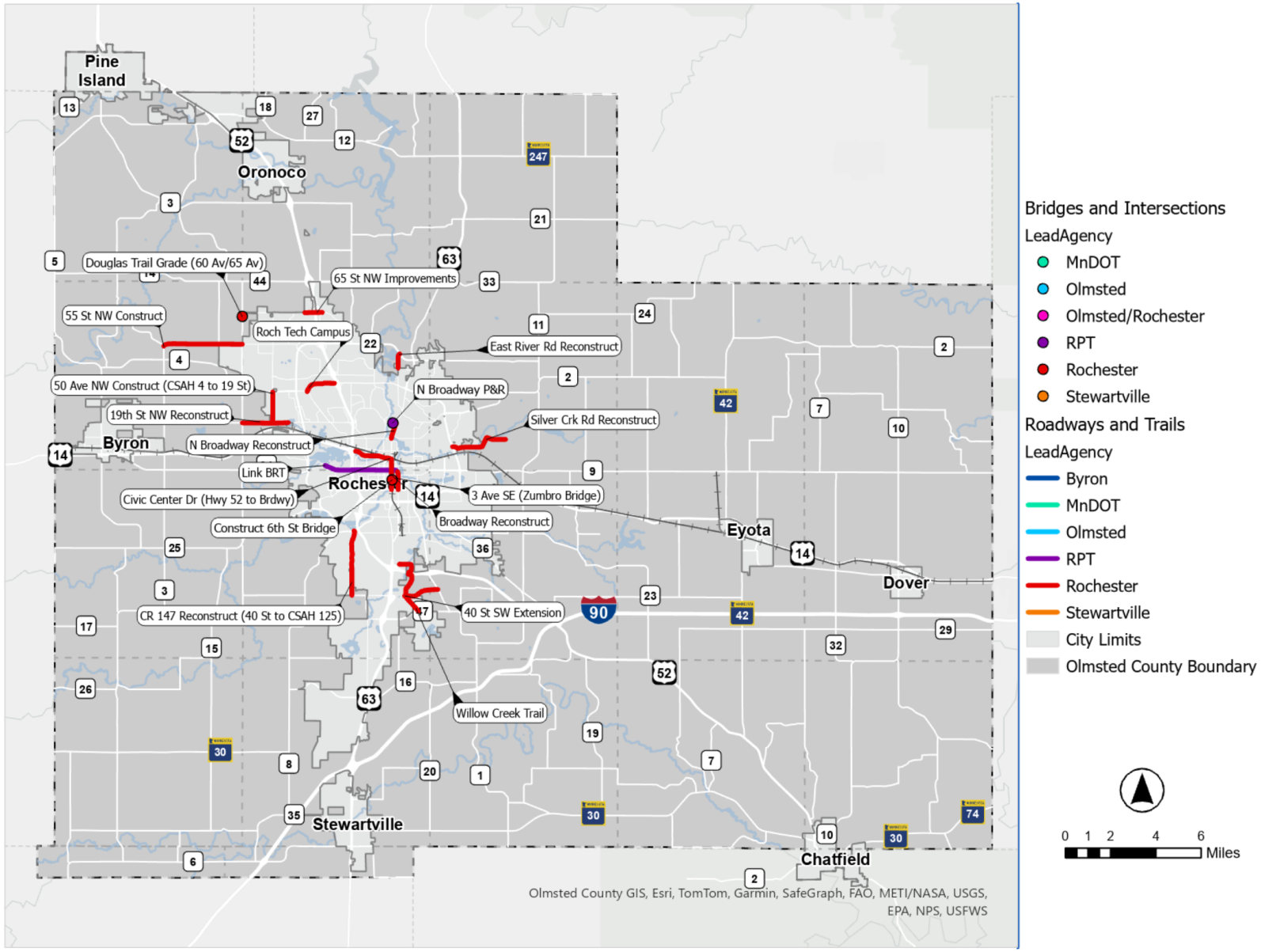
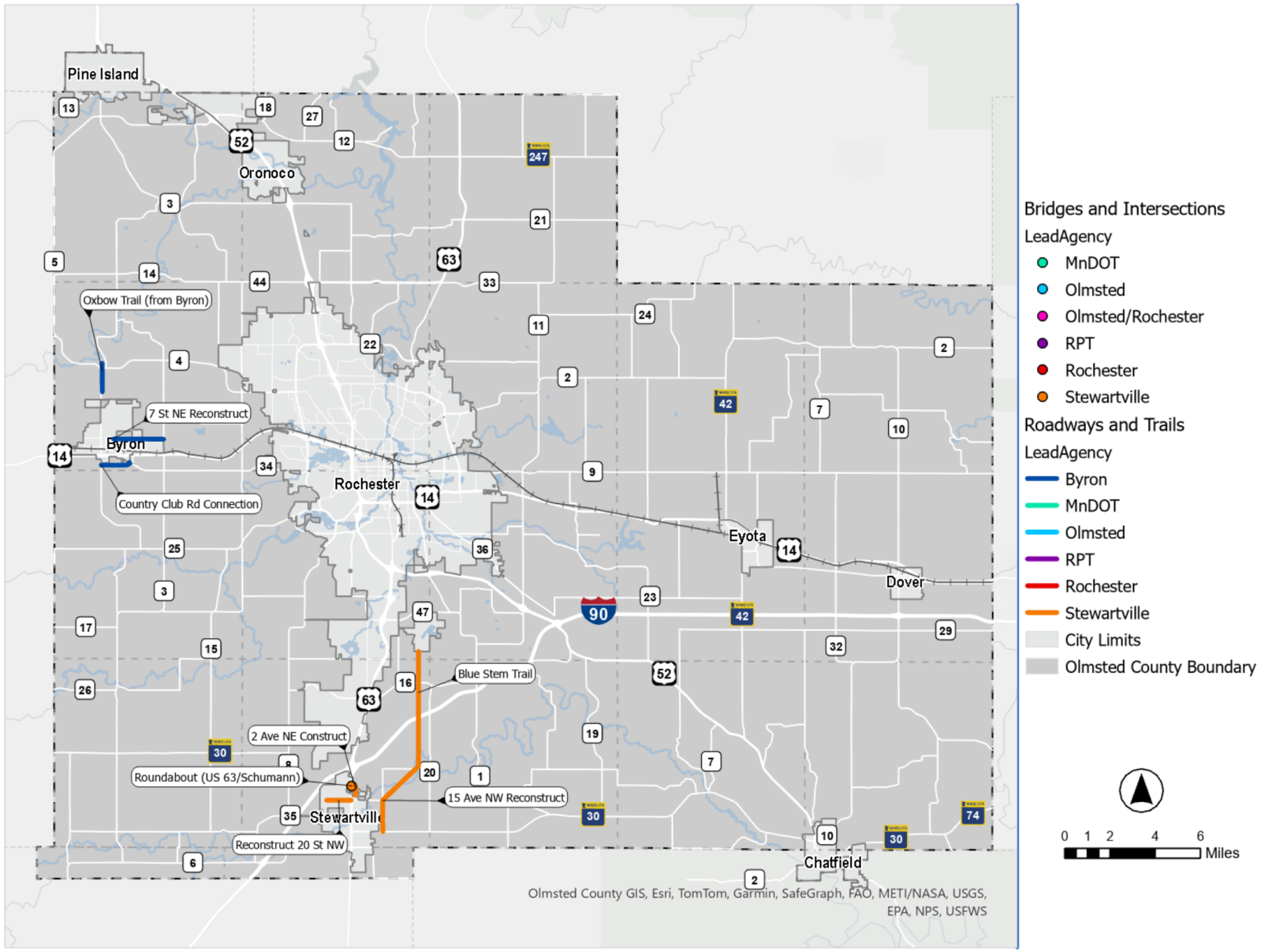


Figure 4: MTP 2050 Project Location - Byron and Stewartville Projects

Source: ROCOG



7.2.2.1 MnDOT

Table 3 illustrates MnDOT's projected revenue and expenditure per timeframe. The list of projects for this assessment came from the MnDOT District 6 Capital Highway Investment Plan (CHIP) 2025-2034 and an annual sum of $2.76 million spent in the planning area for the remainder of years until 2050. For this assessment, only the state funds were used to determine constraint. Over $233 million in project costs on the State's Trunk Highway System are planned for the ROCOG planning area over the next 25 years. MnDOT historically funds projects with a mix of federal and state dollars at an 80/20 share. Of the $233 million in projects, $46 million will need to be provided in state match, as compared to $142 million of transportation eligible state revenue.

The I-90/US 52 interchange reconstruction project is one of the largest in MnDOT District 6 over the next five years and pushes MnDOT's near-term expenditures right up to the amount of state revenue expected. The two remaining timespans, beginning in 2031, appear to be more typical in the amount of investment MnDOT plans for the ROCOG area.

Table 3: Fiscal Constraint Summary: MnDOT

	Short-Term (2026-2030)	Mid-Term (2031-2040)	Long-Term (2041-2050)	Total
Revenue (State Funds only)	**$20,565,814**	**$51,865,622**	**$70,382,752**	**$142,814,187**
Expected Project Costs (Total)	**$98,363,935**	**$74,156,640**	**$61,262,699**	**$233,783,274**
Expected Project Cost (State's 20% Share)	**$19,672,787**	**$14,831,328**	**$12,252,540**	**$46,756,655**
Difference	**$893,027**	**$37,034,294**	**$58,130,212**	**$96,057,532**
Annual Difference	**$178,605**	**$3,703,429**	**$5,813,021**	**$3,842,301**

Revenue data based upon information from past TIPs. Olmsted County / ROCOG Calculations.

7.2.2.2 Olmsted County

Table 4 illustrates Olmsted County's projected revenue and expenditure per timeframe for all transportation resources. Over $533 million worth of projects are planned over the next 25 years as compared to $3 billion of transportation eligible revenue.

The County anticipates completing several large projects over the next 25 years. The interchanges planned for US 14 and CSAH 3 and CSAH 5 in Byron are the two largest projects in the mid-term timeframe. A proposed CSAH 44 connection between CSAH 25 and US 63 (Southwest Beltway – Willow Creek Study), is planned in the long-term timeframe.

Table 4: Fiscal Constraint Summary: Olmsted County

	Short-Term (2026-2030)	Mid-Term (2031-2040)	Long-Term (2041-2050)	Total
Revenue	**$437,404,497**	**$1,103,105,193**	**$1,496,937,203**	**$3,037,446,893**
Expected Projects	**$140,760,112**	**$193,540,680**	**$198,831,409**	**$533,132,201**
Difference	**$296,644,385**	**$909,564,513**	**$1,298,105,795**	**$2,504,314,692**
Annual Difference	**$59,328,877**	**$90,956,451**	**$129,810,579**	**$100,172,588**

Expected revenue calculated based on historic expenditures reported to the Office of the Minnesota State Auditor. Olmsted County / ROCOG Calculations.

7.2.2.3 Rochester

Table 5 displays the City of Rochester's projected revenue and expenditure by project type per timeframe, for all roadways using all available resources. Over $360 million worth of projects are planned, compared to $1.11 billion of transportation eligible revenue.

Rochester identifies three projects with current costs over $25 million. Two projects, 6th Street Bridge and the extension of 40th Street SW, are identified in the short-term timeframe, while the reconstruction of Broadway Avenue is planned for the long-term timeframe.

This analysis shows that the City of Rochester has enough funds for its planned future projects. However, it does not account for the $16 to $20 million shortfall the City has previously reported for maintaining and preserving the existing system. To better align preservation needs with available revenue and the City's policy goals, a more detailed regularly occurring analysis—such as the pavement management study completed in 2019 —will be necessary.

Table 5: Fiscal Constraint Summary: City of Rochester

	Short-Term (2026-2030)	Mid-Term (2031-2040)	Long-Term (2041-2050)	Total
Revenue	$160,109,042	$403,784,407	$547,944,027	$1,111,837,476
Expected Projects	$159,363,987	$53,946,918	$146,856,569	$360,167,473
Difference	$745,055	$349,837,489	$401,087,458	$751,670,002
Annual Difference	$149,011	$34,983,749	$40,108,746	$30,066,800

Expected revenue calculated based on historic expenditures reported to the Office of the Minnesota State Auditor. Olmsted County / ROCOG Calculations.

7.2.2.4 Byron

Table 6 displays the City of Byron's projected revenue (all funds) and expenditure by timeframe. Over $13 million worth of projects are planned for over the next 25 years, compared to $95 million of revenue.

Due to limited eligible roadways, Byron has two projects on the list: the reconstruction of 7th Street SE, and a future connection between the CSAH 5 and CSAH 3 interchanges.

Table 6: Fiscal Constraint Summary: City of Byron

	Short-Term (2026-2030)	Mid-Term (2031-2040)	Long-Term (2041-2050)	Total
Revenue	$13,741,409	$34,654,923	$47,027,468	$95,423,799
Expected Projects	$7,206,149	$6,519,265	$0	$13,725,414
Difference	$6,535,260	$28,135,658	$47,027,468	$81,698,385
Annual Difference	$1,307,052	$2,813,566	$4,702,747	$3,267,935

Roadway base information from the Office of the Minnesota State Auditor. Olmsted County / ROCOG Calculations.

7.2.2.5 Stewartville

Table 7 displays the City of Stewartville's projected revenue and expenditures. $30.3 million worth of projects are planned, compared to $34.5 million in transportation eligible revenue.

Stewartville has five projects on the list. The most imminent project is the construction of a roundabout on US 63 and Schumann Drive. The roundabout is in response to recent industrial developments in the area. Additionally, the reconstruction of 15th Avenue NE and the construction of 2nd Avenue NE from Luella Place to US 63. Both projects are anticipated to occur during the mid-term timeframe.

Of note, the agency's budget history reported to the Minnesota State Auditor included limited transportation related data. To fill this gap, ROCOG staff elected to project a conservative minimum of $150,000 in transportation revenue annually.

Table 7: Fiscal Constraint Summary: City of Stewartville

	Short-Term (2026-2030)	Mid-Term (2031-2040)	Long-Term (2041-2050)	Total
Revenue	**$4,973,298**	**$12,542,329**	**$17,020,206**	**$34,535,833**
Expected Projects	**$4,804,099**	**$8,963,989**	**$16,587,715**	**$30,355,804**
Difference	**$169,199**	**$3,578,339**	**$432,491**	**$4,180,029**
Annual Difference	**$33,840**	**$357,834**	**$43,249**	**$167,201**

Roadway base information from the Office of the Minnesota State Auditor. Olmsted County ROCOG Calculations.

7.2.2.6 Rochester Public Transit

Table 8 displays Rochester Public Transit projected revenue and expenditure by timeframe. Over $212 million worth of projects are planned over the next 25 years, as compared to $1.2 billion in transportation eligible revenue.

RPT included two projects on the list, both during the short term. The projects are the LINK bus rapid transit project and the North Broadway Park and Ride. Both projects are funded by discretionary federal resources. Additionally, Link is locally financed by specialized state resources known as Destination Medical Center. Both projects require the use of one-time funding to meet fiscal constraint and replace existing services and routes currently being operated.

Table 8: Fiscal Constraint Summary: Rochester Public Transit

	Short-Term (2026-2030)	Mid-Term (2031-2040)	Long-Term (2041-2050)	Total
Revenue	* $238,839,195	$418,235,476	$567,554,435	$1,224,629,107
Expected Projects	$212,581,398	$0	$0	$212,581,398
Difference	$26,257,798	$418,235,476	$567,554,435	$1,012,047,709
Annual Difference	$5,251,560	$41,823,548	$56,755,443	$40,481,908

Revenue data based upon information from past TIPs. Olmsted County developed revenue estimates.

* Includes DMC funds for BRT.

7.2.2.7 Fiscal constraint summary

Based upon the information presented, all agencies will have sufficient revenue to construct the projects identified in the MTP for the life of the plan. This MTP is fiscally constrained.

7.3. Selection of ROCOG funded projects

7.3.1 Surface Transportation Block Grant (STBG)

The ROCOG Policy Board is privileged to directly fund a city or county a project every year with the award of federal funding using money from the Surface Transportation Block Grant (STBG) Program passed through MnDOT's Area Transportation Partnership (ATP) process.

STBG funds are flexible funding that may be used by states and localities to preserve and improve the conditions and performance on any federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals.

The jurisdictions (MnDOT, Olmsted County, Cities of Rochester, Byron and Stewartville, as well as Rochester Public Transit) listed in the previous section can apply for and utilize STBG dollars for projects meeting MnDOT's and the ATP's eligibility requirements. Any township, or city with a population under 5,000, will need a fiscal agent to sponsor the project and oversee project delivery.

Started in 2024, for the selection of fiscal year 2028 funds, ROCOG utilizes a competitive application process for the selection of projects to use these STBG funds. The process requires applicants to submit project documentation focused on how the project meets the goals of ROCOG's MTP. With

the help of the previous Long Range Transportation Plan, the Policy Board established scoring criteria focused on the following selected goals or categories.

- System preservation
- Safety/risk mitigation
- Maintain mobility/system reliability
- Support community vision
- Multi-modal travel
- Sustainability and resiliency

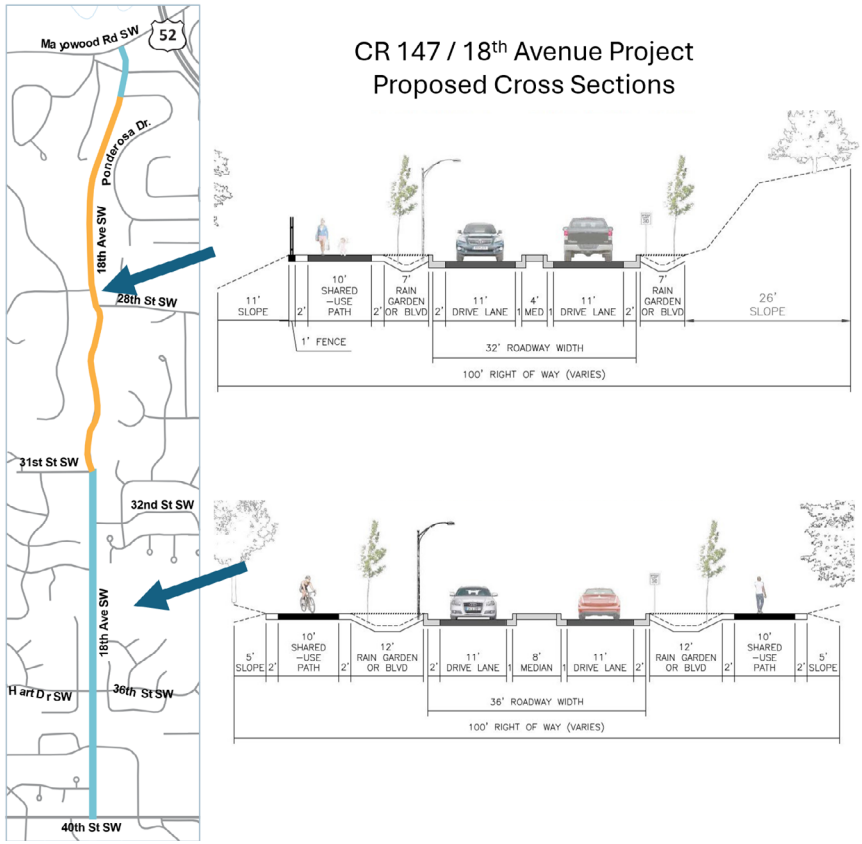
Projects do not have to be listed in the MTP to be eligible for STBG funding. This allows the ROCOG Policy Board to focus on the goals and outcomes of this MTP while permitting priorities to adjust year to year in response to emergencies, system conditions, and the financial needs of projects.

Projects move through the process by being scored and prioritized by the ROCOG TTAC, then passed along to the ROCOG Policy Board for final scoring and selection. The Board's selected project is moved to the ATP for final review and approval.

7.3.2 Carbon Reduction Program (CRP)

A similar process is utilized for the selection of projects that are funded with federal Carbon Reduction Program (CRP) funds.

Figure 5: Rochester's 18th Avenue SW Project received STBG funding in FY 2026, 2027, and 2028



CRP was created for the purpose of funding projects that reduce transportation's carbon impact. A list of priority project types is outlined in MnDOT's Carbon Reduction Strategy. CRP funds must be spent within the Rochester Urbanized Area, limiting the use of these funds to the City of Rochester, RPT, and Olmsted County if housed within the City boundary.

7.4. Beyond construction: advancing transportation initiatives through studies

In addition to roadway and transit project projects the MTP also guides various studies and research that are crucial for future transportation projects. These studies often involve:

- **Geographic or topic-specific studies:** These can include detailed analyses of areas or transportation challenges. The most recent example is the Willow Creek Transportation Study.
- **Early project development:** This involves initial steps like confirming the need for a project, identifying potential environmental concerns, and exploring different solutions. By engaging stakeholders early, these studies help streamline future project delivery. The most recent example is the TH 14 Corridor Study completed in 2021.

ROCOG and its partners use these early studies to:

- Facilitate adoption of measures like right-of-way protection and traffic operational policies.
- Define implementation responsibilities.
- Ensure future federal approvals for projects are not jeopardized.

7.4.1 Addressing future needs and refinements

While the MTP provides a comprehensive overview of the region's future transportation needs, some complex issues require more in-depth evaluation and discussion before practical solutions can be proposed.

The following list was created through coordination with partner agencies during the development of the MTP. Due to funding constraints, not every project will be conducted before the next MTP, while other projects and studies, not listed, may arise in response to funding considerations. The list forms the baseline for ROCOG's work for the next five years.

7.4.1.1 ROCOG

- **Functional Classification Assessment:** This study will review and update how roads are categorized based on their purpose (e.g., local, arterial) to better manage access and protect future rights-of-way, considering current and planned land use.
- **Safe Streets for All Plan (SS4A):** Starting in 2025, ROCOG will develop a regional safety plan to prevent serious injuries and deaths on all roads within its jurisdiction.
- **Travel Demand Model Study:** This project will update the outdated travel demand model (from the 1980s) to better understand and predict future transportation needs, respond to greenhouse gas legislation, and serve smaller communities. This update will prepare for the 2055 Metropolitan Transportation Plan.

- **Northwest Olmsted County Planning and Transportation Study:** This study will analyze transportation and land use needs in the growing northwest part of Olmsted County, which includes several townships, cities, and the Prairie Island Indian Community. It aims to ensure organized growth by looking at future transportation, access, land use, and trail needs.
- **Olmsted County Trails Plan:** As communities in Olmsted County grow closer together, this plan could focus on connecting them with trails, not just roads. It will also explore connections to existing and future state and regional trails based on community interest.
- **Congestion Management Study:** This study could identify, analyze, and monitor traffic congestion across the ROCOG planning area to develop data-driven strategies for improving traffic flow and reducing delays throughout the region.
- **Regional Freight Plan:** This plan would aim to understand current and future freight movement in the region, identifying key industrial areas and the transportation infrastructure serving them.
- **ITS Operations System Plan:** This may involve creating a plan to guide the development and implementation of intelligent transportation systems (like smart traffic signals or real-time travel information) across the ROCOG planning area.
- **Transit-Oriented Development Plan:** This study could identify areas suitable for transit-oriented development (TOD) by analyzing commuting patterns, transit services, and land availability near transit stops. The goal is to encourage compact, mixed-use development around public transportation across the ROCOG planning area.
- **Pavement Management Study:** This study could evaluate the current and future condition of all major roadways to determine financial needs for maintaining and improving pavement quality.

7.4.1.2 Olmsted County

- **US 14 Byron Interchanges:** This project involves designing and building interchanges on US 14 in Byron to improve traffic flow and safety. It also includes planning future local roads and assessing environmental impacts.
- **US 52 Interchange Efficiency Improvements:** This study focuses on reducing traffic congestion at specific US 52 interchanges in Rochester (CSAH 22, 37th Street NW, and 19th Street NW) by finding low-cost, high-benefit solutions.
- **Jurisdictional Transfer Studies:** The county, or any jurisdiction, may look to transfer ownership of certain roads to ensure the most suitable entity manages them based on surrounding land use and access needs. The Willow Creek Transportation Plan suggested such a study be conducted on 40th Street SW.
- **Southwest Beltline Study:** Following the Willow Creek Study, this initiative aims to create an outer ring road on the southwest side of Rochester. This road would support development and help reduce traffic in the city center.
- **Seneca Foods Transit Hub:** Olmsted County acquired the 10-acre former canning facility property in 2019. The county initially considered using the site as a transportation hub for Rochester's planned bus rapid transit system. Any

new efforts will attempt to determine the vision of the site with community input.

- **Energy Park Traffic and Access Study:** A transportation study would be conducted to review a planned industrial park in southeast Rochester.

7.4.1.3 City of Rochester

- **Civic Center Drive Study:** This study addresses congestion and lack of pedestrian/bicycle infrastructure on Civic Center Drive, a vital east-west corridor in Rochester.
- **South Broadway Corridor Study:** Funded by a federal grant, this study will review and determine the roadway design for South Broadway, aiming to connect affordable neighborhoods to downtown and Soldiers Field Park.
- **Future Bus Rapid Transit Corridors:** As Rochester's first Bus Rapid Transit (BRT) line nears completion, this study will evaluate future BRT corridors to maximize transit use and shift more people to public transportation, especially for downtown Rochester.
- **Transit Development Plan (TDP):** This five-year plan (2028-2032) guides the management and improvement of Rochester Public Transit services. The next plan will specifically address the opening of the city's first BRT service.
- **Willow Creek Trail Feasibility Study:** With state funding secured, this project involves the preliminary and final engineering design and construction of a 2.5-mile paved trail extension from 28th Street SE to Gamehaven Regional Park, connecting to the future Bluestem Trail.

7.4.1.4 Byron

- **Country Club Road Corridor Study:** Plan a new road network south of US 14 to support industrial and residential growth after highway interchange construction.
- **CSAH 5 Bicycle and Pedestrian Access and Crossing Study:** Improve safety for pedestrians and cyclists crossing CSAH 5, especially given the location of Byron High School.
- **Comprehensive Transportation Plan:** A 20-year plan for Byron's entire transportation system, including new arterial and collector roads for residential development, and potential recommendations for a beltline, trails, and transit.
- **Stage Coach Trail Feasibility Study:** Determine the best route, property needs, and costs for a trail connecting to Dodge County and Kasson.
- **Trail Connection Study to Oxbow County Park and Douglas State Trail:** Identify preferred trail routes to connect Byron to these regional parks, including preliminary designs and cost estimates.

7.4.1.5 Stewartville

- **Comprehensive Transportation Plan:** A 20-year plan focusing on safety at US 63 intersections, active transportation, future bypass timing, and heavy commercial vehicle routes.
- **US 63 Bypass Study:** Develop and evaluate concepts for a bypass road around Stewartville to recommend and reserve right-of-way.

- **Industrial and Freight Roadway Study:** This proposal would examine “last-mile” access needs for heavy commercial vehicles from I-90 and US 63 to new industrial sites.
- **Bluestem Trail Feasibility Study:** This study would determine the best route, property needs, and costs for a trail connecting to Gamehaven Park.

7.5. Implications

This chapter outlines the actionable steps to achieve the ROCOG planning area’s 2050 transportation vision, emphasizing strategic financial management and continuous planning.

- **Fund and construct infrastructure projects:** Actively pursue and secure federal, state, and local funding to construct and reconstruct identified roadway, trail and transit projects.
- **Adhere to fiscal constraints:** Manage project timelines and expenditures to align with forecasted revenues, ensuring the plan remains fiscally responsible for all jurisdictions (MnDOT, Olmsted County, Rochester, Byron, Stewartville, and Rochester Public Transit).
- **ROCOG policy board project selection:** Continue to use the competitive application process for STBG funds, prioritizing projects that align with MTP goals (system preservation, safety/risk mitigation, maintain mobility/system reliability, support community vision, multi-modal travel, sustainability and resiliency).
- **Conduct essential planning studies:** Initiate and complete critical studies to refine future transportation strategies and ensure orderly growth.
- **Early project development & stakeholder engagement:** Conduct early project development studies to confirm needs, address environmental concerns, explore solutions, and engage stakeholders to streamline future project delivery and secure federal approvals.