

Commission Minutes
June 13, 2023

IOWA TRANSPORTATION COMMISSION

Meeting Agenda / Commission Orders

June 13, 2023
Burlington Riverfront Entertainment
Burlington, Iowa

ITEM NUMBER	TITLE	SUBMITTED BY	PAGE
D-2023-74 8:00 a.m.	* Approve Minutes of the May 9, 2023 Meeting Commission Comments DOT Comments	Cindy Dorhout	2
TD-2023-75	* Revitalize Iowa's Sound Economy (RISE) – Mahaska County/Oskaloosa	Deb Arp	4
TD-2023-76	* Revitalize Iowa's Sound Economy (RISE) Project Settlement– Farley	Deb Arp	6
TD-2023-77 8:10 a.m.	* 2024-2028 Iowa Transportation Improvement Program Adjourn	Stuart Anderson	8

*Action Item

Public Input Meeting begins at 8:15 a.m.

On Monday, June 12, 2023 the Commission and staff will meet informally at 3:30 p.m. in the Auditorium at Burlington Riverfront Entertainment in Burlington. Transportation-related matters will be discussed but no action will be taken.

Cindy Dorhout - Director's Office

Commissioner Arnold called the meeting to order.
He began by asking for approval of the minutes from the May 9, 2023 Commission meeting.
Commissioner Gaesser moved, and
Commissioner Yanney seconded a motion to approve.
The vote to approve was unanimous.

Commission Comments: I'd like to thank the City of Burlington for having us here and it's a very nice city. I really enjoyed it. I enjoyed the tour yesterday and it was very informational.

DOT Comments: Scott Marler, Iowa DOT. I just want to take a moment to thank our communities. We had a very good tour yesterday. The cities of Burlington, Mount Pleasant and our different counties that we went along on the route. I want to say a special thanks to our District 5 staff, Bob Younie and his team did a wonderful job of hosting us on the tour yesterday. I just wanted to express our gratitude for a great tour. Thank you, Mr. Chair.

Commissioner's present - Richard Arnold, Charese Yanney, Kathy Fehrman, Tom Rielly, Sally Stutsman, Ray Gaesser, and Linda Juckette

**DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER**

Division/Bureau/Office Transportation Development Division
Systems Planning Bureau Order No. TD-2023-75
 Submitted by Debra Arp Phone No. 515-239-1681 Meeting Date June 13, 2023
 Title Revitalize Iowa's Sound Economy (RISE) Application – Mahaska County/Oskaloosa

DISCUSSION/BACKGROUND:

Mahaska County submitted an Iowa's Certified Site Program RISE Local Development application in the February 2022 round requesting a grant to assist in construction of approximately 10,000 feet of new roadway connecting Iowa 23 and US 63, turn lanes at Iowa 23 and 17th Avenue East, Iowa 23 and Osburn Avenue, Iowa 23 and proposed connector, and US 63 and proposed connector located southeast of Oskaloosa.

This project is necessary to provide improved access to more than 517 acres including Oskaloosa Innovation Park, a proposed Iowa Economic Development Authority Certified Site of approximately 490 acres, and an additional 27 acres that will be opened for RISE eligible development.

The evaluation and rating for the project will be discussed.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended the Commission, based on the capital investment commitment and potential for future job creation, commit a RISE grant of \$5,881,412 from the county share of the RISE Fund and \$4,258,954 from the city share of the RISE Fund for a total of \$10,140,366 or up to 65 percent of the total RISE-eligible project cost, whichever is less. Since this is a certified site project, the actual award amount is subject to change as the project plans are finalized. Any changes to the scope or approved funding will be submitted by the department to the Commission for consideration as a modification to the award. In addition, this commitment is contingent on Certified Site approval from IEDA.

COMMISSION ACTION:		Vote	Aye	Nay	Pass
Moved by	<u>Charese Yanney</u>		<u>x</u>	_____	_____
Seconded by	<u>Sally Stutsman</u>		<u>x</u>	_____	_____
			<u>x</u>	_____	_____
			<u>x</u>	_____	_____
			<u>x</u>	_____	_____
			<u>x</u>	_____	_____
			<u>x</u>	_____	_____

Division Director Legal State Director

Deb Arp - Transportation Development Division

Mahaska County, together with the City of Oskaloosa, submitted an Iowa Certified Site RISE Local Development Program Application requesting a grant to assist in construction of approximately 10,000 feet of new roadway connecting Iowa 23 and US 63 located southeast of Oskaloosa and in support of the proposed Oskaloosa Innovation Park. The improvements also include turn lanes at the intersection of Iowa 23 and 17th Avenue East at Iowa 23 and Osborne Avenue and Iowa 23 and the East terminus of the proposed connector and at US 63 in the West terminus of the proposed connector. This project is necessary to provide improved access to more than 517 acres, including Oskaloosa Innovation Park, a proposed Iowa Economic Development Authority certified site of approximately 490 acres and an additional 27 acres that will be opened for RISE eligible development. Under our RISE Local Development Criteria the project scores 59 points. The total estimated cost of the project is \$15,600,563. Mahaska County is requesting a RISE grant of \$10,140,366 and will be providing 35% in local match. Since this is a certified site project, the actual award amount is subject to change as the project plans are finalized. Any changes to the scope or approved funding will be submitted by the department to the Commission for consideration as a modification to the award.

It is recommended the Commission based on the capital investment commitment and potential for future RISE creation commit a RISE grant of \$5,881,412 from the county share of the RISE Fund and \$4,258,954 from the city share of the RISE fund for a total of \$10,140,366 or up to 65% of the total RISE eligible project cost, whichever is left. In addition, this commitment is contingent on Certified Site approval from IEDA.

Commissioner Yanney moved, and
Commissioner Stutsman seconded a motion to approve.
The vote to approve was unanimous.

Deb Arp - Transportation Development Division

On October 10th, 2017, the city of Farley was awarded a RISE grant of \$333,478 to assist with the construction of approximately 1,275 feet of 11th Avenue Northwest located on the northwest side of town. Commission approval of the associated economic development of the project is contingent upon the majority of the area to be developed with RISE eligible land uses. On May 1st, 2018, the roadway was open to traffic. As of February, 2023, the city of Farley confirmed the development contingency had not been met and the department was advised all 14 acres of the development were developed with non RISE eligible uses. The method of calculation and amount of proposed settlement was provided to the city. The city of Farley has agreed to repay the proposed settlement of \$200,012.

It has recommended the Commission approve the project settlement and proposed payment to the city's share of the RISE fund of \$200,012 for the city of Farley.

Commissioner Rielly moved, and
Commissioner Fehrman seconded a motion to approve.
The vote to approve was unanimous.

Stuart Anderson - Transportation Development Division Director

Last month you released your 2024 to 2028 Iowa Transportation Improvement Program for public comment. The program documents your investment decisions for all modes of transportation, but in particular, the program documents your planned investments of almost 4.3 billion of state and federal highway funding on highway and bridge projects on US, Interstate, and Iowa routes across the state of Iowa. Since release of the draft program, we did not receive any comments.

Therefore, it is recommended the Commission approve and authorize distribution of the 2024 to 2028 Iowa Transportation Improvement Program. It is also recommended the Commission approve the use of condemnation, if necessary, to acquire property for the projects in the highway section of the program. And finally, it is recommended the Commission authorize the temporary transfer of funds from the RISE fund to the Primary Road Fund if necessary, over the fiscal year 2024 time period.

Commissioner Juckette moved, and
Commissioner Gaesser seconded a motion to approve.
The vote to approve was unanimous.

May 23, 2023

Iowa Transportation Commission

Richard Arnold, Chair Charese Yanney, Vice-Chair Kathy Fehrman Ray Gaesser
Linda Juckette Tom Rielly Sally Stutsman
Delivered electronically

Re: Request for Authorization to Borrow Funds from the RISE Fund

Dear Commissioners,

As we have for the last five years, we are requesting your authorization to temporarily transfer funds from the RISE fund to the Primary Road Fund (PRF) during state fiscal year 2024. This request is made pursuant to section 315.3(3)(b) of the Iowa Code, which states:

If the state transportation commission receives and files a letter from the director of transportation certifying that the cash flow funding of the department may be inadequate to meet anticipated road construction costs, the commission may authorize the temporary transfer of funds from the RISE fund to the primary road fund. Funds transferred under this paragraph shall be repaid to the RISE fund within six months of transfer.

By this letter, I am certifying the cash flow funding of the department may be inadequate to meet anticipated road construction costs during fiscal year 2024. As we have discussed in the past, it is not a certainty that we will need to borrow RISE funds to meet cash flow needs in the highway program, but there is enough uncertainty to PRF revenue and expenditures in fiscal year 2024 to suggest it is possible borrowing RISE funds may be necessary. Therefore, we believe it's prudent to request your authorization to do so. The uncertainty of PRF expenditures is due to several very large construction projects underway, the potential for increased drawdown of funds by local jurisdictions during this coming construction season, and the significant increases in construction costs.

As we are doing this year, we will continue to provide regular updates throughout the year on the status of PRF revenue and expenditures and will advise you if it proves necessary to borrow RISE funds. If we do borrow RISE funds, we do not expect that would impact your ability to continue to award RISE funding to all eligible projects. In addition, as required by Iowa Code, any funds borrowed and transferred will be repaid to the RISE fund within six months of transfer.

Iowa Transportation Commission

May 26, 2023

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Our request for your authorization will be part of our recommendation for Commission approval of the 2024-2028 Iowa Transportation Improvement Program, and your authorization would be memorialized in the order approving the program. A copy of the proposed order is included with this letter. The authorization to borrow will apply through the end of fiscal year 2024 which is June 30, 2024.

Please let me know if you have any questions or would like additional information. I look forward to seeing you all in June.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Marler".

Scott C. Marler, Director