

## APPENDIX A2 – COST PARTICIPATION POLICY

### A-2 POLICIES FOR COST PARTICIPATION WITH MUNICIPALITIES

#### Background

Over the last two years, the County Highway Department has worked to revise its Local Cost Participation policy. This effort was initiated through the SCALE Service Delivery Committee. Input was sought and received from city engineers and city administrators in the development of this new policy. A draft was circulated to engineers in June of 2018, the Service Delivery Committee in July and published in the draft 2040 Plan Appendix. As a result of comments received the final policy was revised presented to a joint administrator engineer meeting in August 2018. The final policy is included in this appendix.

The former Cost Participation Policy was developed in 1985 just as the County was starting to urbanize and was last updated in 1988.

Since that time, new transportation solutions have been developed and the policy didn't address-trails, roundabouts, ADA improvements etc. And, as a result practice did not always follow adopted policy. The former policy was difficult to prepare accurate local cost participation estimate for the Transportation Improvement Program, in the early stages of a project. It was based on elements that are not available in early project estimates. Cities need to have local cost estimates for their Capital Budgets and an overarching objective to develop an approach that could provide more accurate and transparent estimates earlier in the project development process.

#### Key Elements of the New Policy:

1. **Application and effective date.** This policy applies to all projects initiated by the County and will be effective for all projects starting construction during program year 2020.

Projects initiated by a City or through local development are not guaranteed the same County Participation levels. Those projects will be negotiated and County participation may vary from the Policy depending on priority needs addressed (safety, preservation) by locally initiated projects and Transportation Improvement Program funding availability. Cities are encouraged to submit project priorities through the annual solicitation that occurs as a part of the TIP/Capital Improvement Program solicitation.

2. **Funding participation based on roadway function.** The former policy treated all roadways under county jurisdiction the same. Under the new policy, the cities participate based on roadway function. Principal arterials have a county wide mobility function with less access, so the City will have a lower cost share for projects on these roadways. Minor Arterials provide more of a balanced approach between mobility and access, so the local cost share is higher. Collectors serve more of a local collector function and the policy has the participation a greater share.
3. **Aesthetics.** The County historically has not participated in aesthetic elements included in Highway projects. Due to increasing desire of communities to add landscaping and aesthetics elements to projects, the County is developing a landscaping policy and will participate in aesthetics and landscaping cost; sharing 50-50 with the City up to a cap of \$100,000 per project

on County initiated highway improvement projects in the TIP. If included in the County's design contract for the project, the City will pay 100 percent of consultant design & construction engineering (shop drawings) costs.

4. **Right-of-way cost sharing.** The 2030 plan established right-of-way corridor widths by functional class. Through SCALE, elected officials and staff were educated as to the importance of good development practices and right-of-way dedication supported via collaborative development review. In an effort to encourage thoughtful development, cost sharing for right-of-way on County Highway projects has been added to the policy. Communities that are employing access management practices consistent with County guidelines and obtaining right-of-way dedications will benefit by paying less right-of-way costs. By implementing cost participation on right-of-way, the County will be able to maintain construction-programming levels and communities with good practices will see greater equity.
5. **Trails/Sidewalks.** The former policy didn't address County participation for these elements. In the early 2000's the County started adding trail and/or sidewalks to its projects on both sides of the roadway. This decision was based on growing demand for these facilities and safety studies that documented the improved safety of having accommodations on both sides of the roadway. The practice has been to share these costs 50-50 on projects and the new policy perpetuates that practice and includes cost sharing to include pedestrian amenities including activated pedestrian (APS) crossings. It also clarifies, that ADA improvements on trails and pedestrian ramps done as a part of the annual County overlay program will be a 50-50 cost share item.
6. **Engineering & Construction Costs.** Under the new policy, the County will cost share with Cities for engineering and construction engineering, inspection and administration costs based on the actual costs of the project, excluding aesthetics. This actual cost will be applied to the City share of the construction cost (before any federal or state funding is applied) on a pro-rata basis. The County has previously used the approach of 10 percent, for preliminary engineering and design, 8 percent for construction engineering and inspections, and 3 percent for administration. The County historically has spent between 15 to 26 percent of the total construction costs on these activities dependent on the complexity of the project and public involvement. If the project is not as costly to deliver, the City may pay less than under the former practice, and if a City desires to have more community outreach or additional alternatives considered for a project they will share in the costs.

Figure A-2  
City Local Cost Participation Policy Table

Area of Participation - City Participation <sup>1</sup>	Existing Roadway Functional Class		
	Principal Arterial	Minor Arterial	Collector
<b>A1. Highway Improvements -</b> <i>All grading and roadway costs associated with expansion, reconstruction or safety geometric intersection improvements, bridges including storm sewer</i>	7.5%	20%	45%
<b>A2. Aesthetic <sup>2</sup></b> <i>Landscaping, bridge decorations/railings, decorative fences, colored concrete for look/not safety. If included in County design consultant contract, City will pay 100 percent of design &amp; construction engineering costs.</i>	50% County participation capped at \$100,000	50% County participation capped at \$100,000	50% County participation capped at \$100,000
<b>A3. Right of Way</b> <i>All right-of-way costs associated with right-of-way acquisitions, temporary easements, private utilities with property rights including but not limited to appraisal costs, relocation costs, property management costs, demolition costs, consultant, staff &amp; attorney fees, recording &amp; other fees, plats, etc.</i>	30%	45%	50%
<b>A4. Engineering &amp; Construction Engineering</b> <i>Based on actual costs incurred by county depending on project ranges typically between 15-26 % historically</i>	Split based on share of construction costs (prior to application of any federal or state funding)	Split based on share of construction costs (prior to application of any federal or state funding)	Split based on share of construction costs (prior to application of any federal or state funding)
<b>A5. Traffic Signals &amp; Intersection Improvements <sup>3</sup></b> <i>Includes all necessary components for fully functional system and necessary geometrics, turn lanes, and pedestrian amenities</i>	Total construction cost is prorated in the same ratio as number of legs of the intersection, under each jurisdiction. Private entrances are considered a city leg. State Highway intersections will be shared equally by City and County, if MnDOT does not participate	Total construction cost is prorated in the same ratio as number of legs of the intersection, under each jurisdiction. Private entrances are considered a city leg. State Highway intersections will be shared equally by City and County, if MnDOT does not participate	Total construction cost is prorated in the same ratio as number of legs of the intersection, under each jurisdiction. Private entrances are considered a city leg. State Highway intersections will be shared equally by City and County, if MnDOT does not participate
<b>A6. Intersection Lighting</b> <i>Apply normal policy when meeting warrants. Decorative or corridor light is 100% local costs.</i>	Lighting costs prorated by jurisdiction based on ratio of approach legs	Lighting costs prorated by jurisdiction based on ratio of approach legs	Lighting costs prorated by jurisdiction based on ratio of approach legs
<b>A7. Multi-Use Trails &amp; Sidewalks</b> <i>Applies to trails on bridges, including necessary approaches. ADA improvements including pedestrian ramps and necessary approaches. Applies to all County- led projects, including overlays with trail sidewalk components and all pedestrian amenities including activated pedestrian crossings.</i>	50%	50%	50%
<b>A.8 City Utilities</b> <i>Sanitary Sewer, Water, Corridor Street Lighting, and engineering costs if included in County Contract</i>	100%	100%	100%
<b>A.9 Prorata Costs Items</b> <i>Mobilization, Field office, Laboratory, Traffic Control, Contractor Staking, As Builts. Other prorata items may be added as determined by County Engineer</i>	Based on split percentage of final construction cost, minus prorata items	Based on split percentage of final construction cost, minus prorata items	Based on split percentage of final construction cost, minus prorata items
<b>A.10 City Initiated or Developer Initiated Projects</b> <i>City projects submitted through the TIP solicitation and/or through the Right-of- Way permit process</i>	Negotiated, Cost Policy is used as guidance but participation level is determined by County Engineer	Negotiated, Cost Policy is used as guidance but participation level is determined by County Engineer	Negotiated, Cost Policy is used as guidance but participation level is determined by County Engineer

<sup>1</sup> Based on Existing Functional Class of Roadway

<sup>2</sup> Applies to County programmed roadway improvements projects. Not to projects that are signal, trails, and pavement preservation only projects or city/developer initiated projects

<sup>3</sup> When the Scott County Engineer has determined that traffic signal is warranted and is appropriate intersection control on a minor arterial, if City requires a roundabout, the City will be solely responsible for the up cost for the roundabout and associated costs regardless of the leg of ownership.

Cost Participation Policy is effective for 2020 projects in the Transportation Improvement Program