



MEMORANDUM

TO: City Council Members

FROM: Jenelle Teppen, City Administrator

SUBJECT: Traffic Signal at Hester Street and Highway 3

DATE: For the City Council Work Session of April 14, 2025

I've written a couple of emails to the City Council with information on MN DOT's desire to upgrade the signal at Hester Street and Highway 3.

At the beginning of this year the MN DOT District 6 Project Manager (PM) reached out to say that MN DOT was beginning to plan for the upgrade of the traffic signal apparatus at the intersection of Hester Street and Highway 3.

He said that the upgrade would include all required ADA pedestrian ramps, audible signals, interconnection with the lights at County Road 1 and Highway 3, and cleaning of the culvert on the frontage road.

MN DOT considers the signal replacement a high priority for the following reasons:

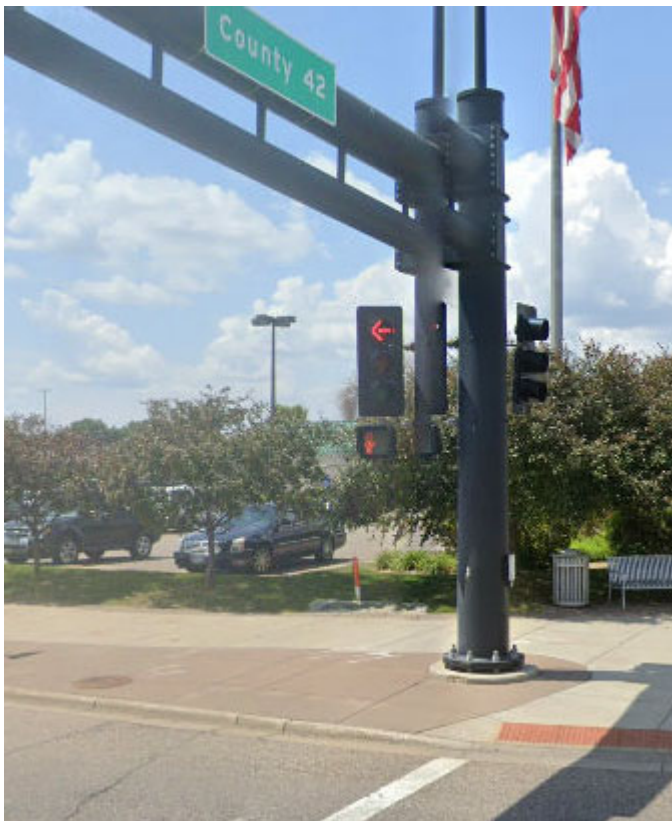
1. It is one of the older signals we (MN DOT) have
2. It is the last long term span wire signal system we have left. These are usually installed as a temporary fix not a long-term installation.
3. Outside of the EVP equipment which was installed a year or two ago much of the rest of the signal is nearing the end of its useful life.
4. Span wire systems require more maintenance to keep them operating, especially after severe storms or high winds.

He said that for planning purposes the budget for signal replacement is \$900,000 and there is a 50/50 cost share requirement between the City and MN DOT, which puts the estimated cost share at \$450,000.

As an aside, the \$900,000 signal design is the new standard for MN DOT. The signal standard from one year ago had an estimated cost of \$450,000 which put the City's cost share at \$225,000.

MnDOT has recently adopted a new signal design standard moving forward for all new signal systems on MnDOT roadways. The new design features larger signal foundations, poles, and mast arms. The signal heads and emergency vehicle response systems remain unchanged from the previous design. The cost of the new signal design ranges from \$750,000 to \$850,000, compared to the cost of the old signal design, which ranged from \$350,000 to \$400,000.

MN DOT hasn't installed any of the new design standard signal apparatus, but pictured below is a similar installation:



Pictured here is the most recent design standard signal apparatus:



Attached is a Draft Exhibit provided by MnDOT that shows the cost participation. In his email the PM said that he thinks that the cost participation manual might be up for revision and could change who pays for what. He also said that this Draft Exhibit will likely change somewhat as to who pays for what but the work being needed will stay with only minor revisions.

Crash data at that intersection reflects the following:

YEAR	# OF ACCIDENTS
2018	1
2019	5
2020	1
2021	4
2022	2
2023	1
2024	0
2025 YTD	1
7 YEAR TOTAL	14 (not incl 2025)

Presumably the larger foundation provides greater protection from damage from vehicles.

At the beginning of this year the PM said that they were planning on replacing the signal in 2026 but could delay it until 2027 or 2028 to give the City time to accumulate the funds. When I balked at the \$450,000 cost share, he said that MN DOT is facing this issue from communities around the State and that they would complete the design, but it would sit on the shelf until a funding solution was found.

In early March he emailed again and said that the replacement of the signal is a high priority for MN DOT and asked for a more definitive timeline on the City's cost share.

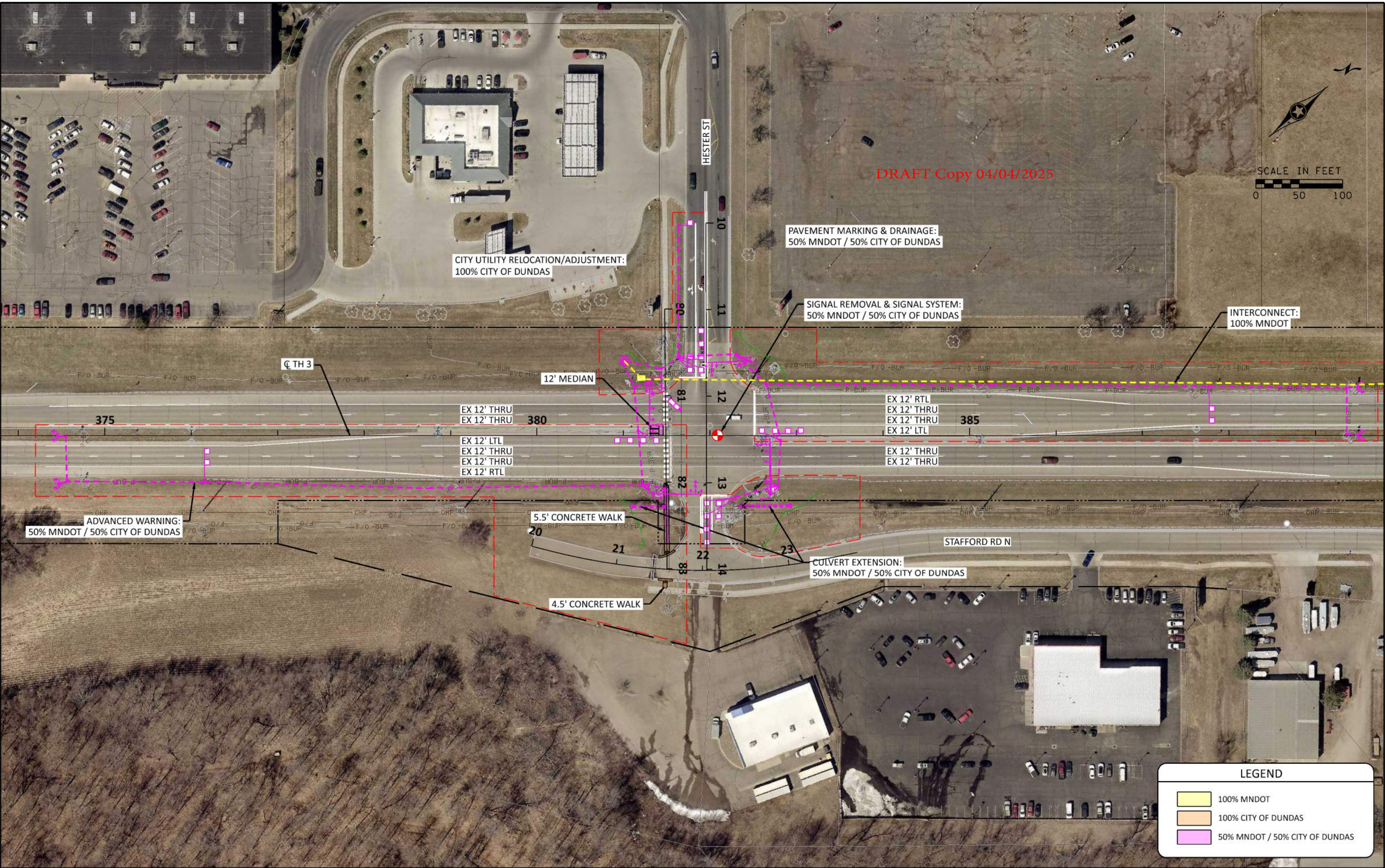
As I have communicated to the Council previously, we haven't been able to identify any grants to assist in the City's cost share.

I suggested to MN DOT that if they could allow their previous design at this intersection, the City might be able to fund their share given a few years to accumulate the funds. But that \$450,000 cost share on a community the size of Dundas is completely out of the question. The PM didn't respond to that suggestion.

I've talked to a number of colleagues and have put together the following list of options the City Council may consider and I've listed them here in order of how I think we should approach this.

1. MN DOT will send the City the cost share agreement and design specifications for approval. The City does not have to sign or accept either item. I would communicate the the MN DOT PM that until MN DOT can identify a grant or other funding option for the City's share, we won't approve the design or cost share.
2. Apply through Senator Klobuchar/Representative Craig for Congressionally Directed Spending in 2026. Basically earmark federal funds for local projects. (See the attached newspaper article on 2025 earmark funds being pulled back by the federal government).
3. The Minnesota Public Financing Agency (PFA) has a Transportation Revolving Loan Fund. They offer interest rates lower than banks with bonds. Even at a 3% interest rate – which may be high – that adds \$135,000 to a ten-year loan.

DATE: 4-APR-2025
FILENAME: Projects\Minnesota\027043-000\05_Discipline\Roadway\Exhibits\027043_Cost Participation



DRAFT - NOT FOR CONSTRUCTION



MINNESOTA DEPARTMENT OF TRANSPORTATION
TH 3 & HESTER ST E INTERSECTION
CITY OF DUNDAS, MINNESOTA

COST PARTICIPATION EXHIBIT
TH 3 & HESTER ST INTERSECTION

LEGEND	
	100% MNDOT
	100% CITY OF DUNDAS
	50% MNDOT / 50% CITY OF DUNDAS

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