



REQUEST FOR ACTION

Fiscal Year 2022 RAISE Grant Agreement for the 6th Street Bridge, Neighborhood Safety, & Riverfront Improvements Project J7919

MEETING DATE:

August 24, 2026

ORIGINATING DEPT:

City Administration

AGENDA SECTION:

Reports and Recommendations

PRESENTER:

Cindy Steinhauser and Dillon Dombrovski

Action Requested:

Adopting a Resolution to repeal and replace resolution #137-26 authorizing the execution of the Fiscal Year 2022 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Agreement with the United States Department of Transportation (USDOT) and the Minnesota Department of Transportation (MnDOT) to provide up to \$19,900,000 in federal funding for the construction of the 6th Street Bridge, Neighborhood Safety, & Riverfront Improvements Project, J7919.

Report Narrative:

On July 20, 2026, the City Council adopted Resolution No. 137-26 authorizing execution of the Fiscal Year 2022 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Agreement with the United States Department of Transportation (USDOT) and Minnesota Department of Transportation (MnDOT) to provide \$19.9 million in federal funding for construction of the 6th Street Bridge, Neighborhood Safety, & Riverfront Improvements Project. Since that action, staff has continued to work with USDOT/FHWA and MnDOT to finalize the agreement. While the federal deadline for execution of the grant has been extended, the project faces more immediate federal and state funding deadlines. To remain in the 2026 federal funding cycle and allow sufficient time for funds to be encumbered before the federal fiscal year-end process begins, the agreement needs to be executed by September 1. The project is also currently programmed in MnDOT's 2026 State Transportation Improvement Program (STIP); failure to execute the agreement this year would require moving the project into the 2027 STIP through an amendment process that could take up to six months and is anticipated to result in approximately \$500,000 in project cost escalation.

Staff is therefore recommending that Council rescind and replace Resolution No. 137-26 to authorize execution of a RAISE Grant Agreement providing up to \$19.9 million in federal funding. This limited change provides the flexibility necessary to execute the agreement if the final federal award is less than the full \$19.9 million currently authorized, including a potential reduction of approximately \$2.1 million, without requiring another Council action and risking the September 1 deadline. If the only modification to the agreement is the federal funding amount, staff understands that the agreement would not require renewed review by other permitting agencies. Importantly, this action does not increase the City's financial commitment to the project. Execution of the agreement requires the City's previously committed \$10 million local match; Council's revised authorization simply provides flexibility regarding the amount of

federal funding ultimately made available. City staff continues to work closely with our federal legislative delegation and staff at MnDOT, FHWA, and USDOT to resolve the outstanding issue regarding the final federal grant award amount. These discussions are ongoing, with the goal of preserving the full \$19.9 million federal award while ensuring the City is positioned to meet the September 1 deadline for execution of the grant agreement.

Throughout development of the project, City staff has acted in good faith and in coordination with federal and state partners. With acknowledgement and approval from the Office of the Secretary of Transportation, the City used local funding to advance project design rather than delay the project while the federal agreement was being finalized. The requested action preserves the City's ability to accept the full \$19.9 million RAISE award if available, while also allowing the City to execute an agreement for a lesser federal amount in time to meet the 2026 federal and state funding requirements and avoid unnecessary delay and potential project cost escalation.

This grant will be processed as a "pass-through" agreement and will be administered by the Minnesota Department of Transportation (MnDOT). This is similar to previous infrastructure projects where the City is the final grant recipient, but the project involves coordination with State entities. City staff have been working closely with MnDOT on the grant agreement details and the project's timing. It was our previous understanding that the agreement needed to be executed by September 30, 2026 in order to be included in the 2026 Federal Fiscal year and the 2026 MNDOT STIP. Through subsequent coordination with MnDOT and the Federal Highway Administration (FHWA), staff has learned that the agreement must be executed by **September 1, 2026** in order to complete the federal funding process within the current federal fiscal year. The federal fiscal year ends September 30; however, the federal budget system closes on September 15 for year-end processing. Approximately two weeks are needed following execution of the grant agreement to complete the necessary steps to enter and encumber the funding in the federal system. As a result, September 1 is the practical deadline for execution of the agreement to ensure the project remains within the 2026 federal funding cycle.

Priorities & Foundational Principles:

Transformational Capital Projects
Inclusive Growth Management

Policy Considerations & DEI Impact:

The 6th Street Bridge project aims to enhance quality of life by improving accessibility for disadvantaged residents. By incorporating Complete Street elements along the 6th Street corridor, the new bridge will offer safe mobility options for motorists, pedestrians, cyclists, and transit users. It will also include ADA compliant features to ensure better access for seniors and individuals with disabilities. The Downtown Waterfront subdistrict is home to a significant minority population, including 42.9% in Census Tract 1, 28.0% in Census Tract 2, and 19.2% in Census Tract 3. Within these areas, there are notable concentrations of Black (9.1%, 13.6%, and 9.5%), Asian (7.9%, 0.7%, and 3.2%), and Hispanic (20.6%, 3.6%, and 4.0%) residents. This project represents an important investment in the revitalization of this area, improving residents' access to essential services and opportunities.

Prior Legislative Actions & Community Engagement:

February 26, 2020: Council Meeting - New Rapid Transit for a Growing, Equitable Rochester Study Received and Filed.

October 19, 2020: Council Meeting - Resolution No. 283-20 - Five-Year Update to the Destination

Medical Center (DMC) Development Plan Adopted.

April 19, 2021: Council Meeting - Resolution No. 084-21 incorporating the DWSE Small Area Plan into the Planning 2 Succeed (P2S) Comp Plan Adopted.

July 19, 2021: Council Meeting - Contract with Perkins & Will for Conceptual Design and Engineering Services Authorized.

March 2022: Council Meeting - Additional Design, Evaluation, Public Engagement and Analysis; and Funding Strategies for the 6th St Bridge Authorized.

August 21, 2023: Council Meeting - Contract with Bolton and Menk for Design and Engineering of the 6th Street Bridge Project Authorized

May 5, 2025: Council Meeting - Presentation Update as Bridge Design is Submitted November 17, 2025: Council Meeting - Resolution for Variance with MNDOT Approved December 18, 2025: MNDOT Variance Committee Variance Approved

February 6, 2026: City Council Meeting - Contract Amendment with Bolten and Menk for Design and Engineering of the 6th Street Bridge Project is Authorized

July 20, 2026: City Council Meeting - Adopting a Resolution authorizing the execution of the Fiscal Year 2022 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Agreement with the United States Department of Transportation (USDOT) and the Minnesota Department of Transportation (MnDOT)

Community Engagement (All numbers are approximate):

Open House #1: 3/26/24 at Riverside Building Lobby (60 people) Slatterly Park Neighborhood meeting: 4/23/24

Riverside Family Event: 5/16/24

Open House #2: 6/26/24 at Riverside Elementary (50 people) Forward Concert 7/11/24

Back to School event 8/17/24 Latino Fest 9/14/24 (150 people)

Historic Neighborhood Meeting: 5/8/25 (25 people)

Public Engagement for updates: Riverside 5/28/25 (25 people)

July 22, 2025: Slatterly Neighborhood Meeting: Slatterly Park (25 people) September 17, 2025: 6th Street Sessions: The Bridge

October 1, 2025: 6th Street Sessions: Streetscape

October 22, 2025: 6th Street Sessions: Riverfront Amenities

Reaching out to under-represented communities. Bolton and Menk created a discussion guide, and worked with individuals from partnering organizations.

10/9/24: Ethiopian Community of Rochester MN ECRM board members and founders - 5 people 9/30/24: Alliance of Chicanos, Hispanics, and Latin Americans 10 people

9/21/24: Pamoja Woman (Somali and Sudanese community) 21 females and 10 males

Fiscal & Resource Impact:

The total project budget is currently estimated at \$36,800,000. The current funding plan includes up to \$19,900,000 in federal BUILD Grant funding (formerly RAISE), \$5,900,000 in Minnesota Department of Transportation (MnDOT) matching funds, and \$11,000,000 in State Destination Medical Center (DMC) funding. The federal grant requires a minimum 20% non-federal match. The City's current funding plan provides approximately \$16.9 million in state and local funding, representing approximately 46% of the total project cost and substantially exceeding the minimum federal match requirement.

Approval of the revised resolution will authorize execution of the federal grant agreement for up to \$19,900,000, rather than obligating the City to an agreement based on receiving exactly \$19,900,000 in federal funding. This flexibility is necessary to allow the City to execute the agreement by the September 1 deadline if the final federal award is less than the full amount originally anticipated. Execution of the agreement does not increase the City's previously approved financial commitment to the project.

If the final federal grant amount is less than \$19,900,000, including the potential reduction of approximately \$2.1 million currently under discussion, the resulting impact to the overall project funding plan will be evaluated separately. Any additional funding necessary to maintain the current project scope and budget would be brought forward for appropriate City Council consideration and approval. The action requested through this resolution is limited to providing the flexibility necessary to execute the federal grant agreement and preserve the project's eligibility within the 2026 federal and state funding cycles.

Alternative Action(s):

No alternative actions are recommended at this time.

Prepared By:

Cindy Steinhauser

Attachments:

[Exhibit - RAISE Grant Agreement - 6th Street Bridge](#)

[Exhibit - 6th Street Bridge July 20 2026 RCA](#)

[Resolution - RAISE Grant 6th Street Bridge](#)