

February 23, 2024

The Honorable Pete Buttigieg
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Re: Letter of No Prejudice, County State Aid Highway (CSAH) 2 Road and Shared Use Path Improvements Project Application: Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Discretionary Grant Program

Dear Secretary Buttigieg,

Lower Sioux Indian Community in the State of Minnesota, a federally recognized Indian tribe (“Cansayapi” or “LSIC”) and subrecipient Redwood County Highway Department respectfully submit this request for USDOT approval of pre-award authority to incur Rebuilding American Infrastructure with Sustainability and Equity (RAISE) eligible expenses associated with advancing the County State Aid Highway (CSAH) 2 Road and Shared Use Path Improvements Project, for which an application for a RAISE (funding opportunity #DTOS59-24-RA-RAISE) discretionary grant has been submitted.

Eligible activities to occur before grant obligation:

Public Outreach: Public outreach will inform all steps of the process; the public will be involved in NEPA, preliminary design and final design work, and will receive status updates as the project advances toward construction. Public involvement is scheduled to occur beginning in Q3 of FY24 and complete in Q2 of FY28.

NEPA and Environmental Approvals: It is anticipated that the project will receive a class of action of categorical exclusion. NEPA work will be advanced prior to the RAISE award. A consultant experienced in NEPA will be paid with Redwood County local funds, which will then be reimbursed upon the disbursement of the award. A desktop environmental review was conducted to assist with scoping the project’s NEPA process. It identified several permits, approvals, and additional reviews:

- USACE – Section 404 for wetland impacts
- USFWS – Federal species review (Section 7)
- MNDOT Water Resources approval
- MNDOT – T&E species reviews
- SHPO/THPO – Cultural resources reviews (Section 106)
- Stormwater Pollution Prevention (SWPPP)
- Water Appropriations if needed
- Source water protection review
- Visual quality and aesthetics review
- Air/Dust & Noise Analysis reviews
- Climate Change and Greenhouse Gas reviews
- Traffic management and access review
- Accessibility (ADA) review
- Redwood County Conservation District review
- City of Morgan, City of Morton, and LSIC approvals
- Best management practices for invasive species, vegetation practices, etc.

NEPA and Environmental reviews will begin in the Q4 of 2024 and are expected to be completed in Q1 of 27. It is anticipated that Redwood County will hold the contract(s) for NEPA and environmental reviews, under LSIC administration. Redwood County would incur costs for this work and submit for reimbursement through LSIC.

Preliminary Engineering: The request for RAISE funds will support the Preliminary Engineering phase, which is expected to begin by Q3 FY25 and be completed by Q2 of FY27. This timeline adheres to the statutory deadline of June 30, 2028 for obligation of funds. It is anticipated that Redwood County will hold the contract(s) for design and preliminary engineering, under LSIC administration. Redwood County would incur costs for this work and submit for reimbursement through LSIC.

Impact of no LONP: With no LONP, the project would incur schedule delays and additional costs. Without an LONP, the NEPA environmental reviews would not be advanced ahead of the grant agreement, setting the project schedule back at least one year for NEPA to begin when the anticipated RAISE grant is obligated in June 2025. Without an LONP, the project would incur additional costs because the NEPA work would be funded locally with no federal reimbursement (a CY 2024-2025 cost of approximately \$868,692.52). These additional local costs could require the applicant to use state IJA match funding sources or alternate local funding sources at LSIC and Redwood County that would otherwise be sought to fund other local projects or initiatives.

Estimated costs for eligible activities: LSIC and Redwood County estimate approximately \$461,923 in eligible expenses from September 2024 through June 2025. An additional \$25.8 million in eligible expenses will be incurred from July 2025 through December 2029 after the estimated award date.

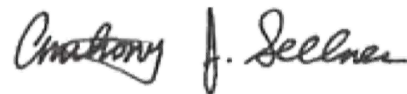
Financial Capacity to Support LONP Costs: Redwood County has sufficient financial capacity to support the estimated \$461,923 cost of the activities through Q2 of CY25. Redwood County has multiple local funding sources to provide a local match. This includes a statutorily dedicated and flexible local transportation sales tax funds and wheelage tax funds up to \$1.5 million per year to match. These funds, which can be accumulated over multiple years and could be used to develop and fund the project prior to program reimbursement per agreement, if selected. These funds are dedicated to road and bridge projects through county resolutions as described in the project application. This funding is available to advance public outreach, NEPA, environmental reviews, design and preliminary engineering activities.

Conclusion: USDOT concurrence through a Letter of No Prejudice will allow the LSIC and Redwood County Highway Department (RCHD) to advance public outreach, NEPA, environmental reviews, design, and preliminary engineering activities. This will allow LSIC and RCHD to complete the necessary approval processes and preliminary engineering needed to proceed to the construction phase of the County State Aid Highway (CSAH) 2 Road and Shared Use Path Improvements Project.

Sincerely,



Robert L. Larsen, President
Lower Sioux Indian Community



Anthony Sellner, P.E.,
Redwood County Engineer