



Request for City Council Action

DEPARTMENT INFORMATION

ORIGINATING DEPARTMENT	REQUESTOR:	MEETING DATE:
Administration	City Administrator/Finance Director Flaherty	February 23, 2026
PRESENTER(S)	REVIEWED BY:	ITEM #:
Consent		3.5 – Transportation MOU

STRATEGIC VISION

MEETS:	THE CITY OF OTSEGO:
	Is a strong organization that is committed to leading the community through innovative communication.
X	Has proactively expanded infrastructure to responsibly provide core services.
	Is committed to delivery of quality emergency service responsive to community needs and expectations in a cost-effective manner.
	Is a social community with diverse housing, service options, and employment opportunities.
	Is a distinctive, connected community known for its beauty and natural surroundings.

AGENDA ITEM DETAILS

RECOMMENDATION:	
City staff are recommending that the City Council approve a memorandum of understanding.	
ARE YOU SEEKING APPROVAL OF A CONTRACT?	IS A PUBLIC HEARING REQUIRED?
No	No
BACKGROUND/JUSTIFICATION:	
<p>Federal transportation law (23 U.S.C. §§ 134 and 135; 49 U.S.C. §§ 5303 and 5304; 23 CFR Part 450) requires that all urbanized areas with a population exceeding 50,000 be included within a designated Metropolitan Planning Organization (MPO) boundary to ensure a continuing, cooperative, and comprehensive transportation planning process.</p> <p>The Metropolitan Council serves as the federally designated MPO for the Minneapolis–St. Paul Urbanized Area. Portions of Wright and Sherburne Counties—including the cities of Albertville, Elk River, Hanover, Otsego, and St. Michael—are included within the contiguous urbanized area as identified by the 2010 and 2020 U.S. Census.</p> <p>An MOU was previously executed in 2012, with the Otsego City Council approving it in November 2013, to address metropolitan transportation planning requirements in the extended area. Following review of the 2020 Census urbanized area boundaries, only minor revisions were required. The attached updated MOU formalizes continued coordination among the Metropolitan Council, Region 7W Transportation Policy Board (TPB), the affected counties, and cities.</p> <p>The MOU establishes how federally required metropolitan transportation planning activities will be conducted within the extended planning area. Specifically, it:</p> <ul style="list-style-type: none"> ▪ Affirms the Metropolitan Council’s role as the MPO for the urbanized area. ▪ Defines the metropolitan planning area boundary in compliance with federal law. ▪ Establishes coordination procedures for long-range transportation planning and the Transportation Improvement Program (TIP). ▪ Clarifies that federal transportation funding for projects in the extended area will continue to flow through the existing District 3/Region 7W Area Transportation Partnership (ATP) process. 	

- Confirms that planning activities will be funded through the Council’s federal Consolidated Planning Grant (CPG), with no additional financial obligation to the City.
- Outlines procedures for air quality conformity, public participation, and interagency communication.

Key Considerations

- **No Expansion of Metropolitan Council Authority:** The MOU applies only to federally required metropolitan transportation planning activities. It does not extend other Metropolitan Council authorities (e.g., wastewater services, transit service provision, or land use planning requirements) to the City.
- **No Direct Financial Impact:** The Council will use existing federal planning funds. No additional local funding commitment is required.
- **Continued Local Coordination:** The City retains participation through Region 7W TPB and coordination with MnDOT District 3.
- **Non-Binding Agreement:** The MOU is not legally binding and may be terminated by any party with 90 days’ written notice.

Staff recommend that the City Council approve the Memorandum of Understanding to Conduct Federally Required Metropolitan Transportation Planning Activities and authorize the Mayor and City Administrator (or appropriate officials) to execute the agreement on behalf of the City. Approval ensures continued eligibility for federally funded transportation projects and maintains coordination with regional and state transportation planning partners.

The Public Works Subcommittee reviewed this information at their February 18, 2026, meeting and provided a recommendation for consideration of approval by the City Council.

SUPPORTING DOCUMENTS ATTACHED:

- **Memorandum of Understanding (Redlined)**

POSSIBLE MOTION

PLEASE WORD MOTION AS YOU WOULD LIKE IT TO APPEAR IN THE MINUTES:

Motion to approve a Memorandum of Understanding between the Metropolitan Council, Region 7W Transportation Policy Board, Wright and Sherburne Counties, and the Cities of Albertville, Elk River, Hanover, Otsego, and St. Michael to Conduct Federally Required Metropolitan Transportation Planning Activities.

BUDGET INFORMATION

FUNDING:	BUDGETED:
N/A	N/A

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE METROPOLITAN COUNCIL, REGION 7W TRANSPORTATION POLICY BOARD,
WRIGHT AND SHERBURNE COUNTIES, THE CITIES OF ALBERTVILLE, ELK RIVER,
HANOVER, OTSEGO, and ST. MICHAEL
TO CONDUCT FEDERALLY REQUIRED METROPOLITAN TRANSPORTATION
PLANNING ACTIVITIES

The parties to this Memorandum of Understanding (MOU) are the Metropolitan Council of the Twin Cities (Council), the Region 7W Transportation Policy Board (Region 7W TPB), Wright and Sherburne Counties (Counties), the cities of Albertville, Elk River, Hanover, Otsego, and St. Michael;

WHEREAS, federal transportation law and regulations (23 USC 134 and 135; 49 USC 5303 and 5304; 23 CFR 450 Subpart A – *Transportation Planning and Programming Definitions*; and 23 CFR 450 Subpart C – *Metropolitan Transportation Planning and Programming*) require a metropolitan planning organization (MPO) to be designated for all urbanized areas with a population of more than 50,000 to establish and maintain a continuing, coordinated, and comprehensive transportation planning process;

WHEREAS, the Council was established by the Minnesota Legislature in 1967 to plan for the orderly and economic development of the seven county Minneapolis-St. Paul region and was designated by the governor as the MPO for the Minneapolis-St. Paul Urbanized Area in 1973;

WHEREAS, ~~on March 27, 2012, the U.S. Census Bureau identified portions of Wright County including the cities of Albertville, Hanover, Otsego, and St. Michael in Wright County and portions of Sherburne County including the cities of Elk River and Big Lake Township in Sherburne County, are included in contiguous~~ the contiguous urbanized area identified by the U.S. Census Bureau in both the 2010 and 2020 U.S. census for the Twin Cities metropolitan area, as depicted on the map on Figure 1; ~~the hereinafter referred to as “the extended area,” as part of the Minneapolis-St. Paul Urbanized Area, which is the first time the Minneapolis-St. Paul Urbanized Area has extended beyond the Council’s seven county jurisdictional area;~~

WHEREAS, under federal regulations, the MPO transportation planning area boundary must encompass, at a minimum, the entire “Urbanized Area” ~~or UZA~~ as defined by the U.S. Census Bureau and the area expected to become urbanized within the next 20 years;

WHEREAS, federal law does not require a re-designation of an MPO solely due to expansion of its boundary;

WHEREAS, US DOT policy encourages boundary changes ~~to be~~ to be accomplished through agreements between affected jurisdictions;

WHEREAS, an MOU between the Council and the urbanized areas of Wright and Sherburne counties was finalized and signed by all affected parties in 2012, and that the subsequent 2020 census did not result in any substantial changes to the urbanized areas of Wright and Sherburne counties that are included in the Twin Cities urbanized area as defined by the U.S. Census Bureau and that these changes have subsequently been discussed and agreed that only minor revisions were required to the adopted metropolitan urban area boundary;

WHEREAS, MN Statute 473.146, subd. 4 says “(a) The Metropolitan Council is the designated planning agency for any long-range comprehensive transportation planning required by section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal transportation laws. The Council shall assure administration and coordination of transportation planning with appropriate state, regional and other agencies, counties, and municipalities;”

WHEREAS, Wright and Sherburne Counties are part of the Central Minnesota Area Transportation Partnership (ATP) for federal transportation funding;

WHEREAS, Wright and Sherburne Counties are part of the Region 7W TPB established by Joint Powers Agreement duly executed by Benton, Sherburne, Stearns, and Wright Counties on January 4, 2000;

WHEREAS, the Region 7W TPB’s Statement of Purpose, as defined in the Joint Powers Agreement, is “to address ~~regionally significant~~ regionally significant transportation issues, conduct regional transportation studies and plans, and solicit and select projects seeking federal transportation funding that support the activities of MnDOT and the Central Minnesota ATP”;

WHEREAS, Section 176(c) of the CAA, 42 U.S.C. § 7506(c), requires ~~federally funded~~ federally funded transportation plans, programs, and projects that are funded or approved under 23 U.S.C. (Highways), or the Federal Transit Act, 49 U.S.C. ch. 53 (Public Transportation) to conform with State and Federal air quality implementation plans; and

NOW, THEREFORE, the parties recognize and agree:

1. **AGREEMENT PURPOSE.** As part of its charge from the state legislature to “assure administration and coordination of transportation planning with appropriate state, regional and other agencies, counties, and municipalities” the Council desires to enter into an agreement with the above named- counties and cities in the “extended area” to meet the metropolitan transportation planning requirements as required by federal law;
2. **APPLICABILITY.** This agreement only applies to federal metropolitan transportation planning requirements; it does not extend any of the Metropolitan Council’s other statutory roles and responsibilities, such as provision of wastewater treatment or transit service, nor the requirement for local land planning in conformance to the Metropolitan Development Guide, to be applicable to these parties;
3. **PLANNING AREA BOUNDARIES.** The metropolitan planning area boundary ~~selected~~ agreed upon by the “extended area” parties in accordance with federal law will be accepted by the

Council and certified by the Federal Highway Administration (FHWA) as the metropolitan transportation planning area for the affected areas of Wright and Sherburne Counties;

4. **TRANSPORTATION PLANNING.** The parties will conduct a transportation planning process that is continuing, cooperative, and comprehensive and provide for the consideration of projects, strategies, and services that address the requirements in 23 CFR 450 Subpart C – *Metropolitan Transportation Planning and Programming*. A primary responsibility of the MPO is to prepare an updated long-range multimodal transportation plan every four-five years. Under federal law, this plan must be “fiscally constrained”, so it does not plan for expenditures beyond those revenues expected to be reasonably available within the time frame of the plan. The Council will coordinate with the technical staff representing agencies Region 7W TPB, as representatives of the extended area, to discuss and agree upon projects in the extended area that are to be included in the MPO’s fiscally constrained plan, ~~and will also discuss and agree upon any “illustrative projects” in the extended area that could be reflected in the plan as projects that could be built if additional resources are secured within the plan timeframe.~~ The Council will coordinate with the Region 7W ~~TPB~~ technical representatives if plan amendments that impact the extended area are needed prior to the usual ~~four-five-year~~ five-year plan update cycle;
5. **TRANSPORTATION PROGRAMMING.** A primary responsibility of the MPO is to prepare a short range ~~short-range~~ Transportation Improvement Program to cover a four year period. The Council and its Transportation Advisory Board (TAB) will work cooperatively with the extended area participants, ~~and the Region 7W TPB, the Central Minnesota ATP, and~~ MnDOT District 3 to develop the Transportation Improvement Program for the Twin Cities Metropolitan Area, adopt it and transmit it to MnDOT for incorporation into the State Transportation Improvement Program (STIP) by October 1 of each year. The TAB will continue to select projects with federal funds for the seven-county area through its regional solicitation process. Projects to be funded with federal money in the extended area will be selected through the existing District 3/7W ATP process, and transmitted to the Council for inclusion in the MPO’s TIP and STIP. If a TIP amendment that impacts the extended area is needed prior to the usual annual TIP update cycle, MnDOT District 3 and the Region 7W TPB will submit the amendment to the Metropolitan Council for inclusion in the MPO’s TIP and subsequently the STIP;
6. **METROPOLITAN PLANNING FUNDING.** The parties agree that the Council will utilize funding from the Consolidated Planning Grant (CPG) utilize PL and Section 5303 funds from the US-DOT to carry out this planning work and will not request additional funding for metropolitan planning activities from the other parties in the extended area;
7. **AIR QUALITY CONFORMITY.** The MPO must assure that its transportation plan and TIP are in conformity with the federal Clean Air Act, as applicable. This will continue to be accomplished under the process described in the “Transportation Conformity Procedures for Minnesota.” Portions of Wright County, as well as portions of the original seven county MPO area, ~~have were been~~ included in the air quality maintenance area in the past and will may be included should

~~the region be designated as a non-attainment area by the US EPA in the future for the region since the maintenance area was designated by US EPA in 1999;~~

8. **COMMUNICATION.** Provision of a forum for interaction among local jurisdictions, between local jurisdictions and state agencies, and between state/local agencies and the public is a key responsibility of MPOs. In order to maintain open communication on transportation planning issues, the Council will coordinate ~~at least one meeting each year between the chair of the Council or the chair of the Council's transportation committee, the chair of the Council's Transportation Advisory Board, and local elected officials of the affected communities in the extended area~~ meetings with the extended area on an as-needed basis. The meetings shall include, at a minimum, key technical staff from both the Council and the extended area. Upon request from staff of the extended area, meetings may also include elected officials from extended area cities, and/or Wright and Sherburne counties, and/or TAB and Council leadership. All meetings will take place virtually or in-person within the extended area, unless an alternative meeting location is requested and agreed upon by the parties. - this If desired, the MTS At a staff level, each of the two counties (Sherburne and Wright)The extended area will be invited to send a representative to the MPO's Technical Advisory Committee (TAC), per the TAC Bylaws. The TAC reviews and recommends for approval the long-range transportation plan, the TIP, UPWP and other studies and plans undertaken by the Council;
9. **PUBLIC PARTICIPATION.** Public participation in the preparation of all transportation planning documents, including the ~~long range~~long range multimodal metropolitan transportation plan and the TIP, will be facilitated by provision of public meeting and/or public hearing ~~locations convenient to residents of the extended area~~ and dissemination of information through local channels in Sherburne and Wright Counties, such as libraries and community media. Material will also be electronically available on the Council's website;
10. **LEGAL AUTHORITY.** This MOU is not a legally binding agreement and creates no legally binding obligations for any party. Because of the mutual desire to proceed and achieve the goals stated in this MOU, each party fully intends to make a good faith effort to achieve the goals described above to work together to comply with the federal and state laws;
11. **GOVERNMENT DATA.** The parties acknowledge that this MOU, as well as any data created, collected, stored, or received under the terms of this MOU, are "Government Data" within the meaning of the Minnesota Government Data Practices Act (Minnesota Statutes Chapter 13), and that they must comply with the provisions of the Act as if related to such data;
12. **EFFECTIVE DATE.** This MOU shall be effective when all appropriate signatures have been obtained by the Council, the Region 7W TPB, Wright and Sherburne Counties, and the cities of Albertville, Elk River, Hanover, Otsego, and St. Michael;
13. **MODIFICATION.** Any amendments to this MOU must be mutually agreed to in writing. All parties agree to review the MOU (and amend as necessary) following the release of urban areas boundaries by the U.S. Census Bureau based on the 2020-2030 U.S. Census;

14. **TERMINATION.** The terms of this MOU may be terminated by any one of the parties by giving 90 days written notice to each of the other parties. This MOU will remain in effect until terminated as provided in this clause, or until replaced by a new MOU.

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I concur with this Memorandum of Understanding

Sherburne County

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Title:

Date: _____

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I concur with this Memorandum of Understanding

Wright County

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Title: _____

Date: _____

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I concur with this Memorandum of Understanding

City of Albertville

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Date: _____

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I concur with this Memorandum of Understanding

City of Elk River

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I concur with this Memorandum of Understanding

City of Hanover

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City of Otsego

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City of St. Michael

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Region 7W Transportation Policy Board

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I concur with this Memorandum of Understanding

Metropolitan Council

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Title:

Date: _____

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Figure 1: Map of Metropolitan Planning Area Boundary

