



Division of Planning & Engineering
Local Government Assistance Office
700 E Broadway Avenue
Pierre, SD 57501-2586
O: 605.773.4336
dot.sd.gov

MEMORANDUM

DATE: August 19, 2025

TO: Mike Behm, Director
Division of Planning and Engineering

FROM: Joanne Hight, Program Manager
Office of Administration

SUBJECT: Transportation Commission Meeting – August 28, 2025
Item for Consideration

Consideration of an advance of the Surface Transportation Block Grant Program (STBGP) funds, formally known as Surface Transportation Program funds or STP funds.

Hutchinson County is requesting an advance of their STBGP funds in the amount of approximately \$900,000 for improvements to County Road 38. Hutchinson County received approximately \$315,670.00 in STBGP (includes State Match) funds in 2025.

cc: File



TRANSPORTATION LOAN REQUEST

By using this form
you are agreeing to
our terms of use.
Please read:

APPLICANT INFORMATION

LOAN TYPE

- ☐ SIB/FEDERAL AID
☒ STBGP ADVANCE
☐ STATE HIGHWAY FUND LOAN

APPLICANT

- ☐ City
☐ County/Township
☐ Other (Specify) _____

INTEREST RATE: 2.7%

APPLICANT NAME Hutchinson County		DATE SUBMITTED 7/8/2025	
PROJECT NAME Hutchinson County 38.82		PROJECT ZIP CODE 57052	
APPLICANT MAILING ADDRESS 201 West Mentor St Rm 118	CITY Olivet	STATE SD	ZIP CODE 57052
CONTACT PERSON Diane Remmers	TITLE Auditor	PHONE NO (605) 387-4212	
CONTACT PERSON'S ADDRESS 201 West Mentor St Rm 164	CITY Olivet	STATE SD	ZIP CODE 57052
E-MAIL ADDRESS dremmers@hutchinsoncounty.org	X		

PROJECT DESCRIPTION

ROUTE NAME/FACILITY County Road 38-82		
LOCATION 8 Miles of County Road 38 from 424th Ave (SD Hwy 25) to 431st Ave		
SDDOT REGION Mitchell	COUNTY Hutchinson	CITY Olivet

TYPE OF PROJECT ☒ HIGHWAY ☐ OTHER (Specify): _____

IS THIS PROJECT ELIGIBLE FOR FEDERAL AID? ☒ Yes ☐ No

PROJECT DESCRIPTION (Provide brief description here and more detail in Attachment A.)

The project consists of resurfacing 8 miles of County Road 38 from 424th Ave (SD Hwy 25) to 431st Ave with 2-1.5" lifts of Asphalt (3" total thickness).

PROJECT BENEFITS (Provide brief description here and more detail in Attachment B. i.e., Importance of project to community, how it promotes economic development.)

The existing roadway is in poor condition resulting in increased roadway user and maintenance costs.

APPLICANT RISK ASSESSMENT (What impact will it have on the applicant or community if agency does not receive loan, it may not (what?))

The County will be forced to increase maintenance costs to keep the roadway safe for the traveling public.

DOES THE PROJECT HAVE THE SUPPORT OF THE LOCAL GOVERNMENT UNIT(S) THAT ARE IMPACTED BY THE PROJECT? (Please include Resolution/Letters of Support)

☒ Yes ☐ No

DOES THE PROJECT HAVE THE SUPPORT OF THE TRANSPORTATION AGENCY (e.g. County Road Commission, City Street Administration, etc.) WITH JURISDICTION OVER THE FACILITY?

☒ Yes ☐ No

IS THE PROJECT WITHIN A METROPOLITAN PLANNING ORGANIZATION (MPO) BOUNDARY?

☐ Yes ☒ No

If yes, is the Project on an approved MPO Transportation Improvement Plan (TIP)?

☐ Yes ☒ No

If No, is the Project on an approved State Transportation Improvement Plan (STIP)?

☐ Yes ☒ No

IS THE PROJECT ON A STATE HIGHWAY?

☐ Yes ☒ No

If yes, is it on the STIP?

☐ Yes ☒ No

PROJECT FINANCING

PROJECT STATUS (Please explain current status of the project, e.g. planning, design, environmental, project start and completion dates.)

Project is ready to construct after securing funding. The project is proposed for late summer/fall 2025 constr.

ESTIMATE PROJECT CONSTRUCTION TIMELINE 2 months	START DATE 8/15/2025	END DATE 10/15/2025
TOTAL PROJECT COST \$1,650,736.00	AMOUNT REQUESTED \$900,000.00	

DESCRIBE ANY COSTS THAT MAY NOT BE ELIGIBLE

PROPOSED PROJECT FINANCING SOURCES

REQUESTED AMOUNT	\$	900,000.00
OTHER FEDERAL AID	\$	0.00
ASSESSMENTS	\$	0.00
USER PAYMENTS/FEES	\$	0.00
LOCAL FUNDS	\$	750,736.00
OTHER (Specify) _____	\$	0.00
TOTAL \$		1,650,736.00

PROPOSED PROJECT FINANCING USES

PRELIMINARY ENGINEERING	\$	0.00
DESIGN	\$	0.00
RIGHT-OF-WAY ACQUISITION	\$	0.00
CONSTRUCTION	\$	1,650,736.00
ENVIRONMENTAL	\$	0.00
OTHER	\$	0.00
TOTAL \$		1,650,736.00

PROPOSED

REPAYMENT TERMS 3 years of STBGP allocation
(e.g. 2 year loan amortized over 5 years)

START DATE 01/01/2026

REPAYMENT SOURCE FOR REQUEST		
2026 STBGP Annual Allocation	\$	300,000.00
2027 STBGP Annual Allocation	\$	300,000.00
2028 STBGP Annual Allocation	\$	300,000.00
TOTAL \$		900,000.00

CHECKLIST

CHECK ALL OF THE FOLLOWING ITEMS THAT ARE ATTACHED:



ATTACHMENT A - Description of Proposed Project



ATTACHMENT B - Benefits of Proposed Project

CERTIFICATION

SIGNATURE

Diane Remmer

TITLE

County Auditor

DATE

7-11-25

Completed Initial Project Application and all applicable attachments may be submitted for initiation of the review process to:

Transportation Loan Request
 South Dakota Department of Transportation
 Division of Planning and Engineering
 Joanne Hight, Administration Program Manager
 Becker-Hansen Building
 700 E. Broadway Ave.
 Pierre, SD 57501

ATTACHMENT A: DESCRIPTION OF PROPOSED PROJECT

In your description, include an explanation of the problem that this project is designed to address, other funding alternatives you've explored, and how your application meets the requirement of "funding of last resort". Please include a map. Attach additional pages if necessary.

Hutchinson County project 38.82 consists of resurfacing 8 miles of County Road 38 from 424th Ave (SD Hwy 25) to 431st Ave with 2-1.5" lifts of Asphalt (3" total thickness). The current roadway width is 25' and the surfacing is ground up asphalt with many potholes. This segment of road is a rural major collector that receives high daily traffic between Menno and Scotland as well as Maxwell Colony. The poor condition of the roadway is creating safety concerns for the traveling public as well as increased roadway user and maintenance costs.

Project Cost Summary:

\$1,450,736.00 total construction costs of prime oil and asphalt

\$200,000 total cost of labor and equipment

\$1,650,736.00 total cost of project

Project Funding Summary:

\$750,736.00 funding from local funds

\$900,000 requested funding from STBGP advance

We have explored other funding loan options (SIB, State Highway Loan) and the STBGP advance fits our needs the best due to immediate need of the project. We do not borrow from banks and we do not have ample time to apply for a grant as the project needs to be constructed this summer to alleviate safety concerns for the traveling public.

ATTACHMENT B: BENEFITS OF PROPOSED PROJECT

Discuss how Transportation Loan financing will help attract new public/private investment, reduce project costs and accelerate project completion. Identify other project benefits, e.g. access, mobility, economic, preservation, environmental. Attach additional pages if necessary.

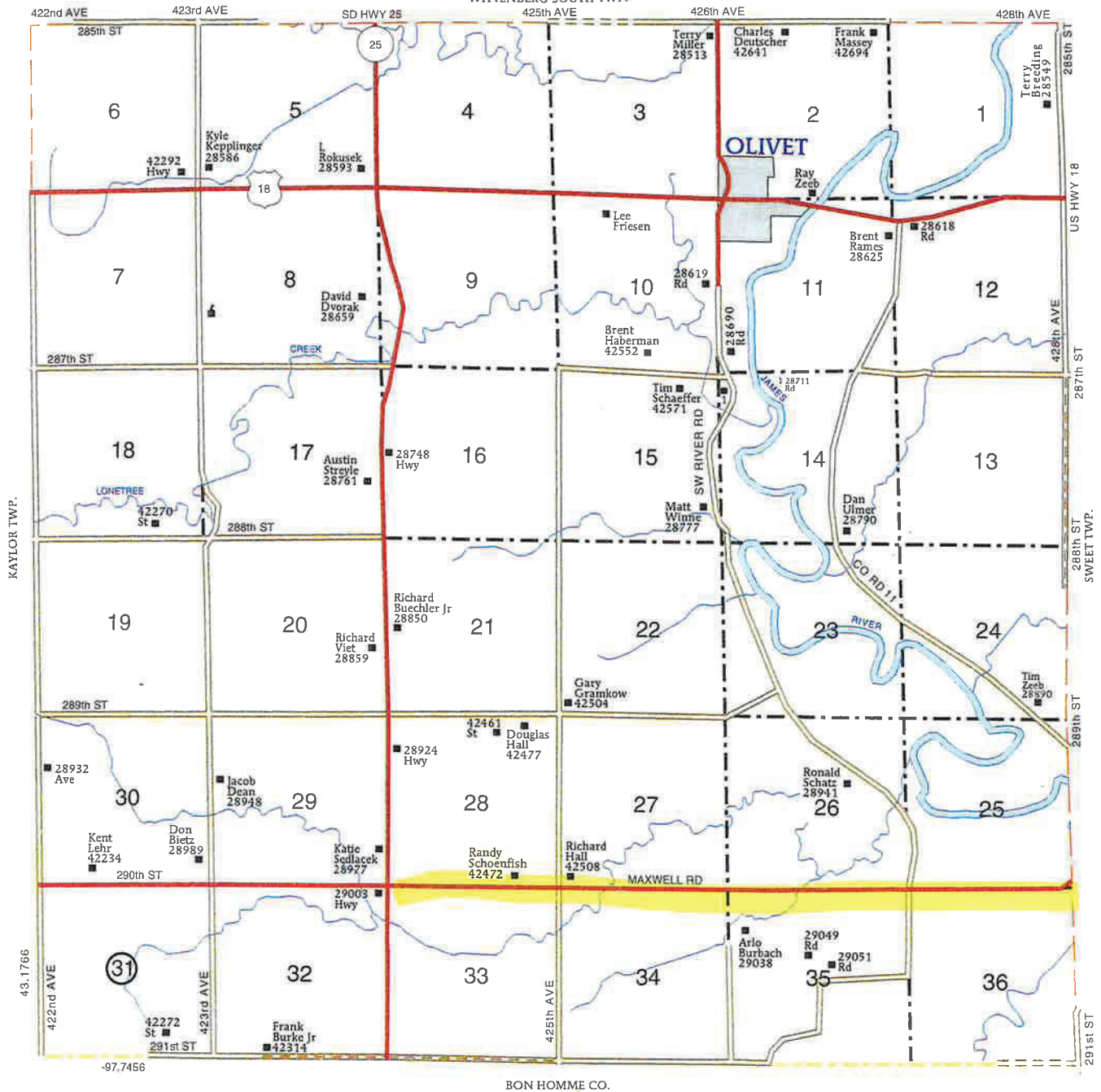
This project is a high priority for the safety of the traveling public. The advantages of completing this project this summer is having a new asphalt surface for the traveling public. The current condition of the road is ground up asphalt with potholes that performs as loose gravel with potholes. Once the project is completed, the road will need less maintenance due to the new pavement. The current ground up condition of the road needs more attention from our highway maintenance workers which takes away from maintaining our other gravel county roads. This road has a significant amount of traffic coming and going from Maxwell Colony to Scotland and Menno. Getting the road paved will help with their commute as well as other residents who travel to and from Scotland and Menno. This is a connecting road across the James River for many semi-trucks and other farm equipment. When the project is completed, the top surface will be sealed from water getting into the roadbed which will then save the surface from breaking down into potholes and soft spots. The long-term benefit will reduce the county costs and improve the safety of those traveling on the road.

PRINT FOR MAILING

CLEAR FORM

(Residents - Owners or Renters)

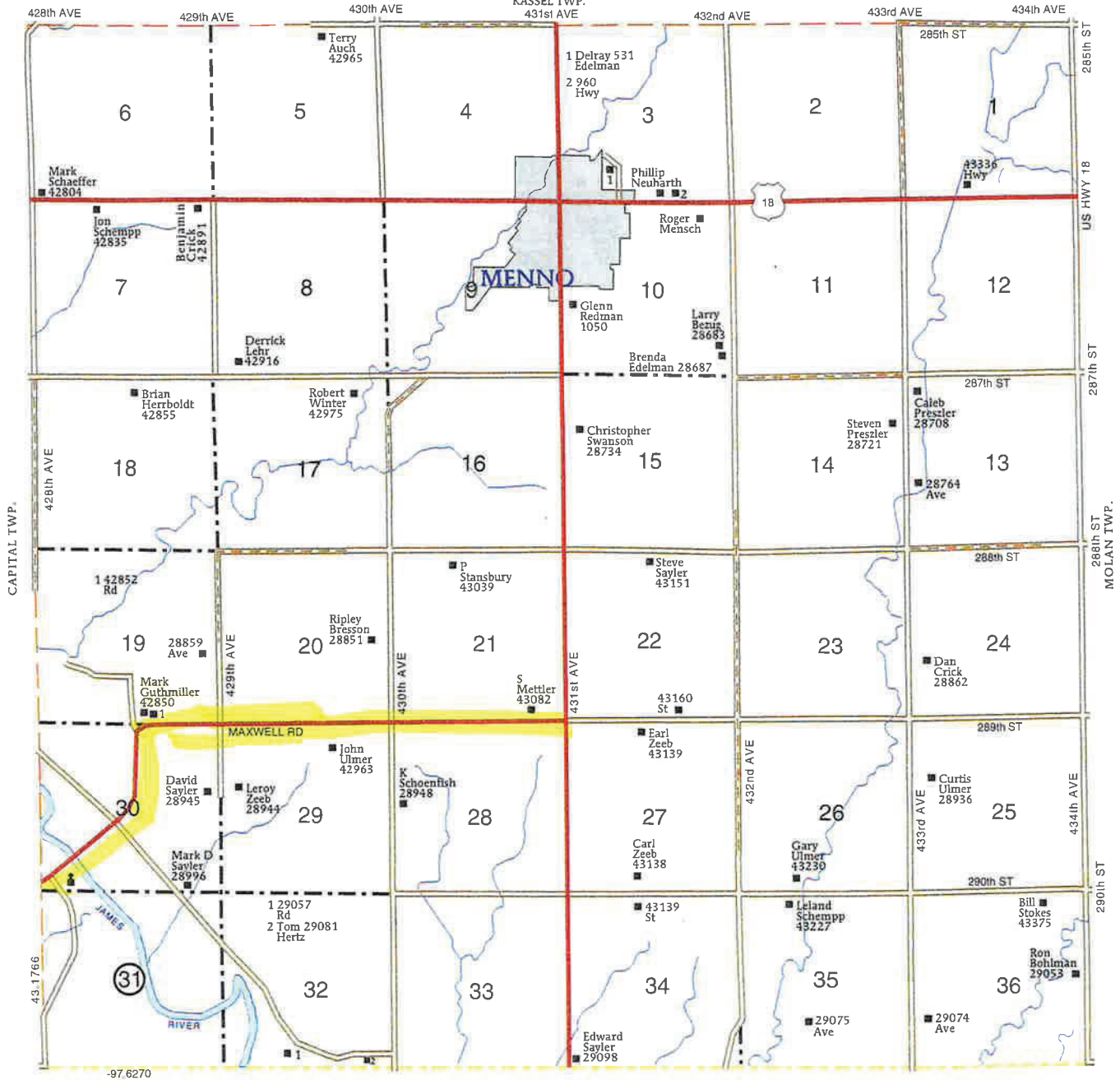
WITTENBERG SOUTH TWP.



(Residents - Owners or Renters)

KASSEL TWP.

431st AVE



-97.6270

YANKTON CO.