



March 31, 2023

Ted Kourousis  
Executive Director  
Northwest Iowa Planning and Development Commission  
217 West 5th Street  
Spencer, Iowa 51301

**Re: Application to reallocate funding for approved Sioux County projects**

Dear Mr. Kourousis:

Sioux County appreciates the STBG funds that have been allocated by the Region 3 committee. This additional funding source helped to improve roads in the county and enhance travel in the region.

Both inflation and the end of SWAP funding for counties have reduced the impact of STBG dollars. When using federal dollars, there are increased unit costs, administrative overhead, and project development timeframes. Therefore, it is beneficial for counties to reduce the number of federal aid projects and increase the federal aid share in each project.

To achieve these benefits, Sioux County is applying to **reallocate funding from K64, from B40 to B30 to K64, from 440th to B40.**

K64, from B40 to B30 was allocated \$533,294 in STBG funding and is currently programmed in FFY24. This 3-mile project is programmed as part of a larger paving contract (8 miles total). K64, from 440th to B40 was allocated \$905,000 in STBG funding is currently programmed in FFY26. Due to inflation, the percent federal aid for both projects has dropped and is now estimated at 35%.

Of the two projects, K64, from 440th to B40 has greater regional impact. It is a major collector, with an AADT of 3100, and helps to feed traffic through Orange City from Iowa Highway 10. Reallocating funding to this project would increase total federal aid for the project to \$1,438,294 and increase percent federal aid to 55%. This change would also avoid federalizing the 8-mile contract that the K64, from B40 to B30 project is part of.

I appreciate the committee's consideration of this application.

Sincerely,

Joel Sikkema  
County Engineer