



Minnesota GO

Achieving the Vision

Charlie Zelle, Commissioner

Minnesota Department of Transportation

I-35W Solutions Alliance Board Meeting

February 13, 2014

We all have a stake in **A  B**



Transportation: A Top Tier Issue

➤ Health...

- ✓ the people
- ✓ the environment
- ✓ the economy



**U.S Bureau of Economics:
MN ranked 5th among nation's
fastest growing economies**



**Politico: MN ranked
2nd best state in the nation**



Transportation & Economy



➤ What we do today impacts tomorrow:

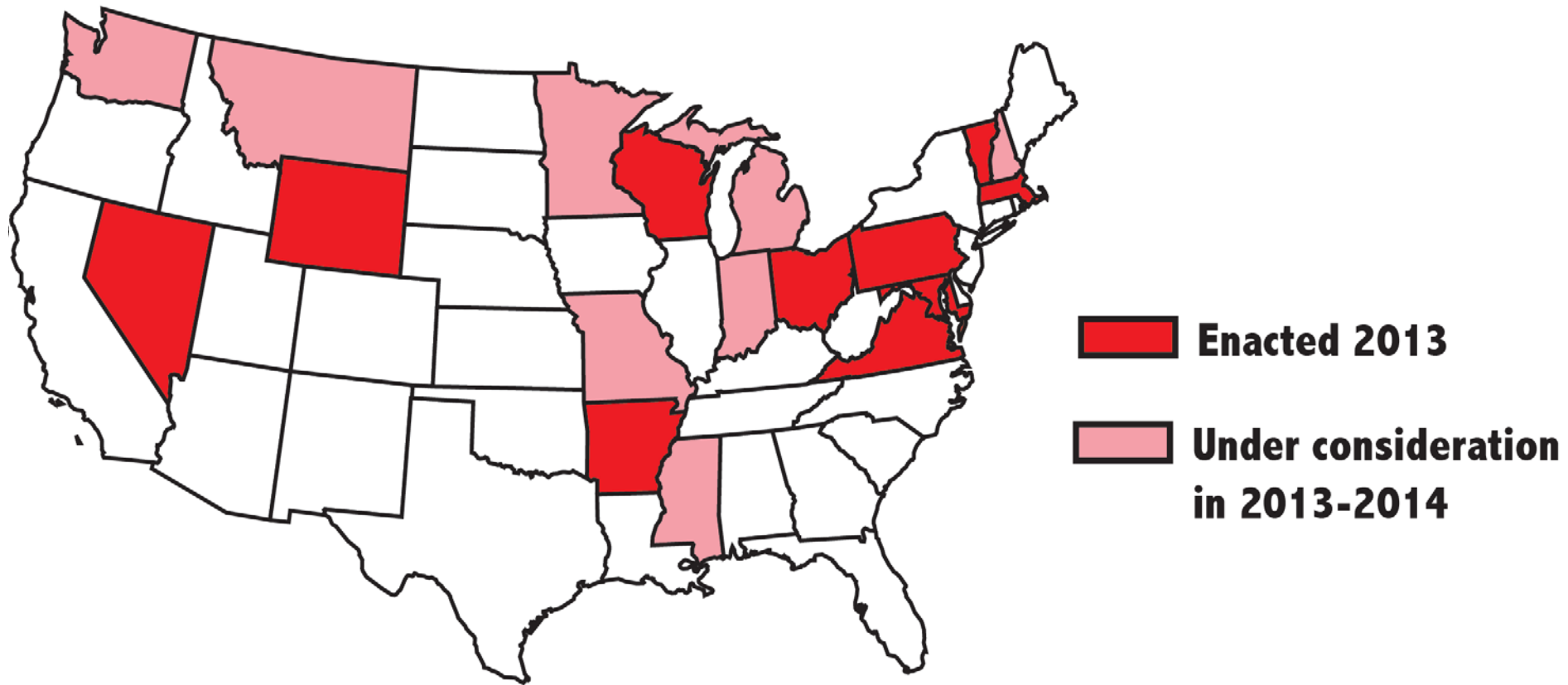
- Population will increase by 1M (2030)
- Population is growing *and* changing
- Truck freight increases 30% (2030)
- Tourism industry growing
 - Up 54% since 2000
 - Forecasts need for transportation alternatives
- Customers Increasingly value and rely on transportation options
- Other states are investing in transportation



Investment activity, other states

State transportation funding plans

2013-2014



Challenge - aging infrastructure, harsh climate, heavy use

- ▶ 50% state highway pavements over 50 years old
- ▶ 35% of MnDOT bridges over 50 years old
- ▶ MN 9th most extreme temperature variations in the nation
- ▶ Interstates in MN rank 38th in the nation



Supporting communities

► Now

- Roads and bridges
 - Maintain in good condition
 - Improve in rural MN as well as metro area
- Air Service
 - Continue service to Greater MN communities
- Rail Service
 - High-speed rail between Chicago and MN
 - Rail service between the Twin Cities and Duluth
 - LRT to help get around the Twin Cities



► Future

- Transportation alternatives
 - Additional transit options
 - High quality inter-city bus service
 - More trails for biking, walking, snowmobiling, etc.



Needs Outpace Funding

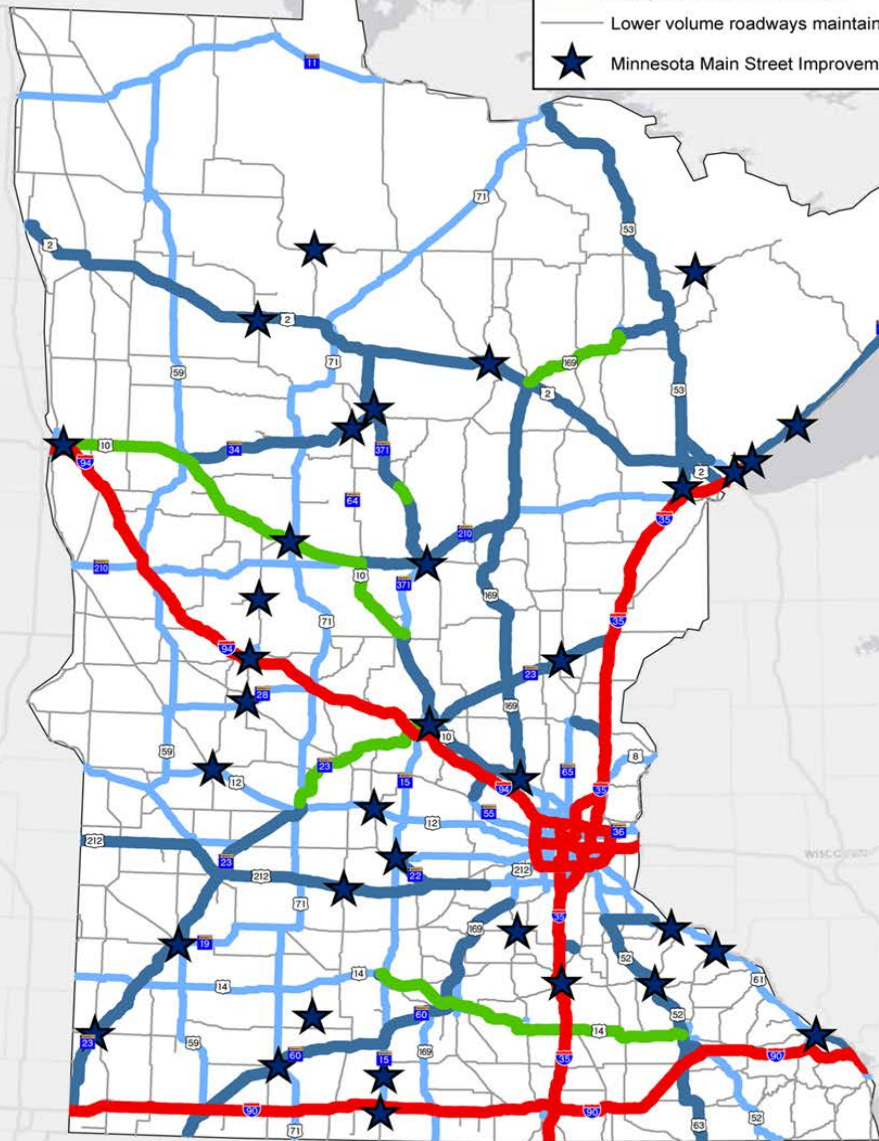


- Transportation Finance Advisory Committee (TFAC)
 - \$50B in needs over 20 years, **all modes**
 - To achieve an economically competitive system
- Funding Needs:
 - Total need \$30B for the state highway system alone
 - Forecasts of \$18B capital revenue over 20-years
- Risk:
 - Need revenue source(s) that mitigate inflation risk
 - Federal fiscal outlook increases state's risk and responsibility



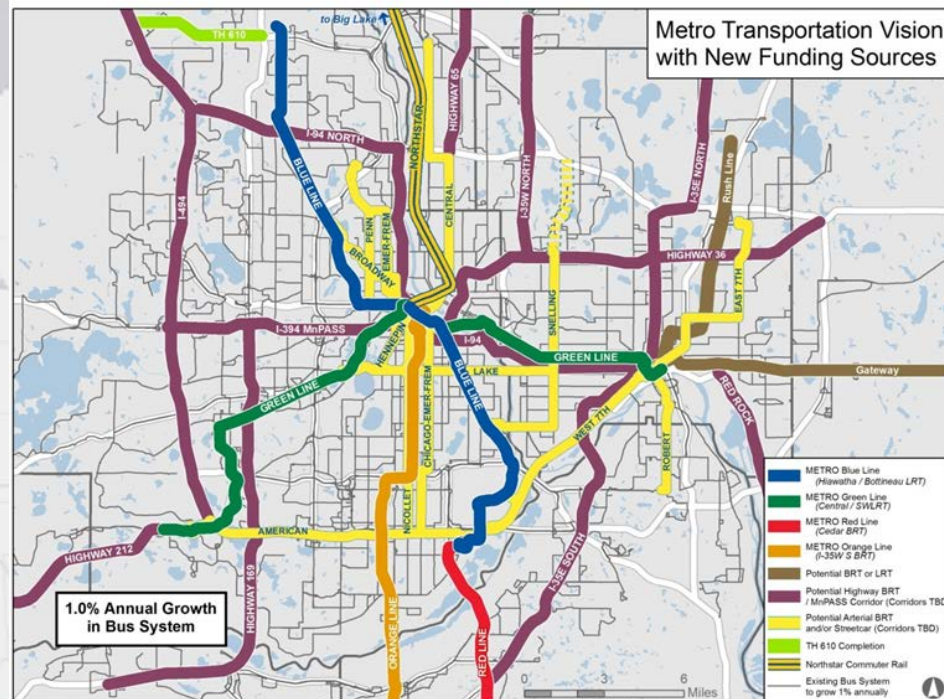
Transportation Vision with New Funding Sources

- Interstate improved/maintained to be in sound condition
- Other NHS maintained to be in sound condition
- IRC maintained to be in sound condition
- Completed 4 lane Connection
- Lower volume roadways maintained to be in sound condition
- ★ Minnesota Main Street Improvements

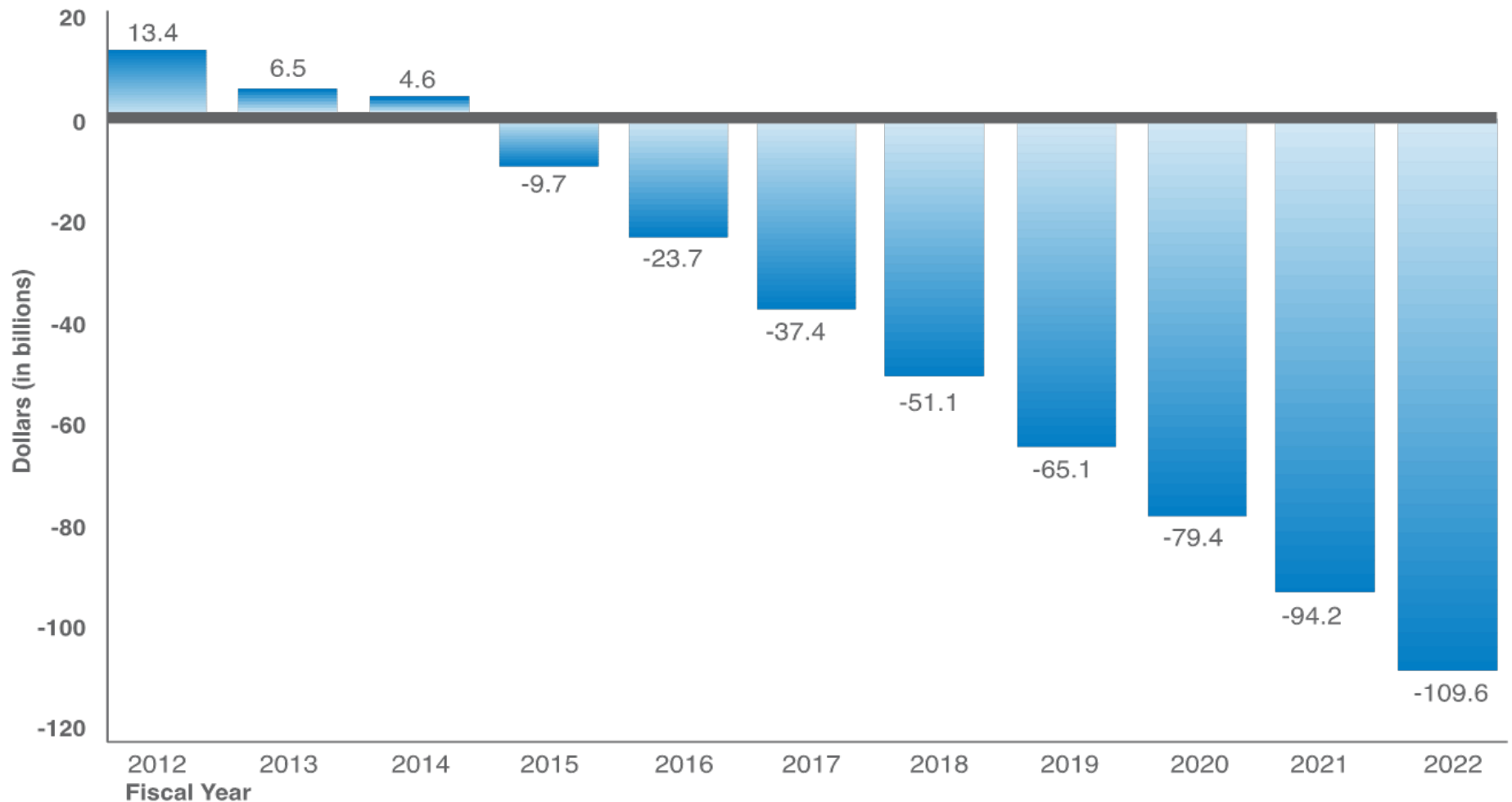


0 15 30 60 90 120 Miles

Metro Area Multimodal Vision

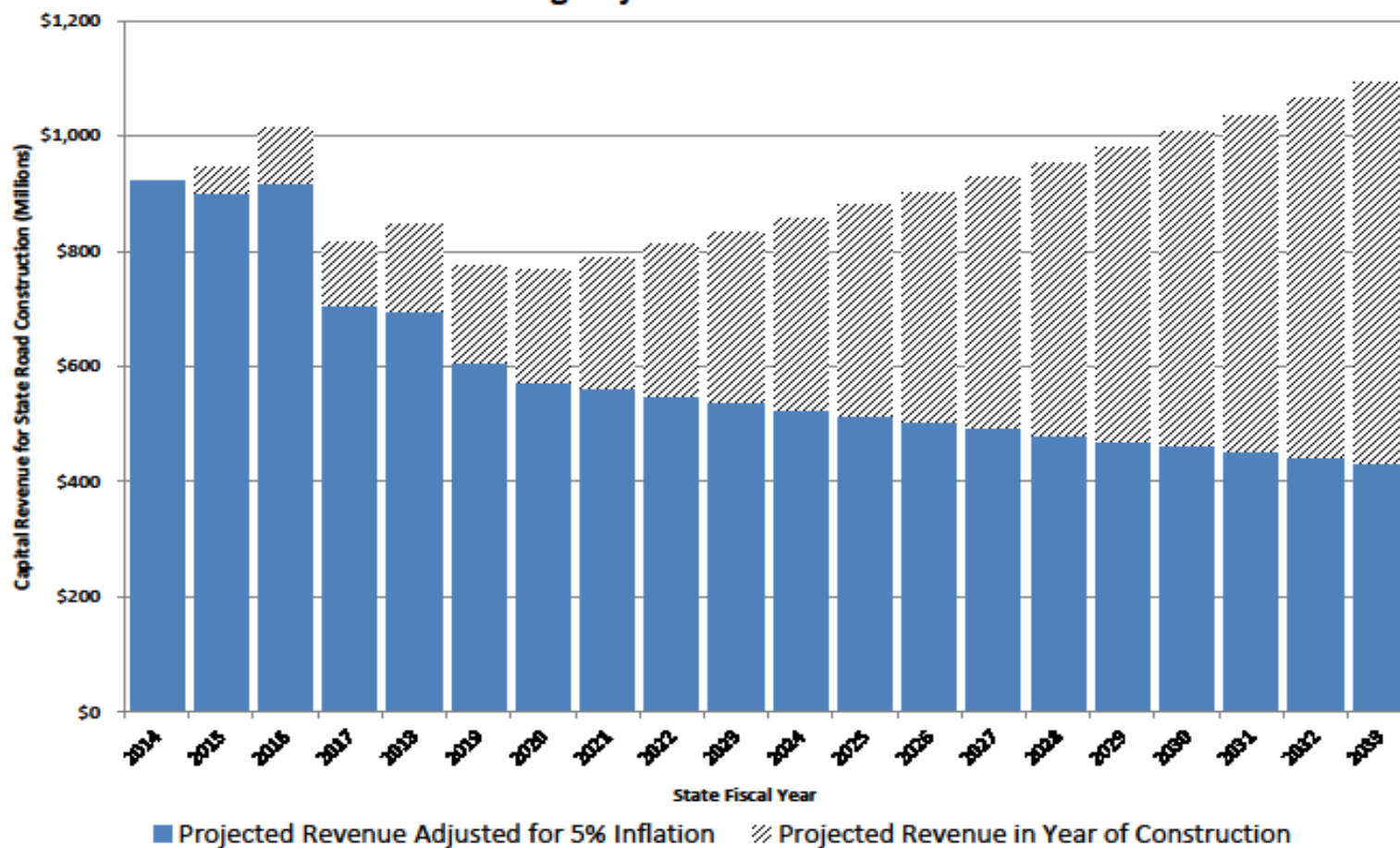


Federal Trust Fund is Broke



Source: GAO analysis of CBO data.

Anticipated Construction Revenue by Year Including Adjustments for Inflation



Transportation is a Good Investment

Return on investment averages 2.5 times that invested

- Additional \$12B investment over 20 years, yields \$31B (average) benefit
ROI 2.5
- Project types with the highest ROI:
 - Active Traffic Management
 - General Congestion Mitigation
 - Safety Spot Improvements



Corridors of Commerce Update

- Enacted during the 2013 legislative session
- Authorizes \$300 million in trunk highway bonding for project not in the STIP
- Two major goals:
 - Increase highway capacity on segments where bottlenecks occur
 - improve the movement of freight and reduce barriers to commerce.
- Statewide projects include the addition of lanes, bypasses and shoulders to essential travel corridors in the state



Corridors of Commerce Projects

| Route | Project | Preliminary Cost Estimate (millions) | Estimated Construction Start | Project Category |
|---------|--|--------------------------------------|------------------------------|----------------------------|
| Hwy 2 | Passing lanes from Cass Lake to Deer River | \$8-\$10 | 2014 | Freight Improvement |
| I-94 | Lanes from MN 101 to MN 241 | \$35-\$46 | 2014 | IRC Capacity Development |
| Hwy 34 | Passing lanes from Detroit Lakes to Nevis | \$11-\$15 | 2014 | Freight Improvement |
| Hwy 14 | 4-lane Owatonna to Dodge Center | \$16-\$20 | 2014 | IRC Capacity Development |
| Hwy 610 | Freeway from CSAH 81 to I-94 | \$103-\$131 | 2014 | Metro Capacity Development |
| Hwy 14 | 4-lane N. Mankato to Nicollet | \$20-\$28 | 2015 | IRC Capacity Development |
| Hwy 14 | Nicollet Bypass (4 lane) | \$15-\$25 | 2015 | IRC Capacity Development |
| I-694 | Dynamic shoulder lane from Rice to Lexington | \$35-\$42 | 2015 | Metro Capacity Development |
| Hwy 169 | 4-lane from CSAH 15 to 1 mile east of CSAH 7 | \$14-\$20 | 2016 | Freight Improvement |
| Hwy 23 | Passing lanes from Willmar to I-90 | \$13-\$19 | 2016 | Freight Improvement |



Additional Funding Considerations

- Seek a sustainable, long-term solution
 - Addresses inflation risk
 - Upholds tenets of user pay
- Discussions underway
 - Apply general sales tax rate to wholesale gas receipts to hedge against inflation?
 - Restructure Tab Fees?
 - Redirect sales tax collected on leased vehicles; auto parts, etc. to non-trunk highway transportation needs?
 - Next generation revenue sources?



MnDOT Strategic Priority

➤ Enhancing Financial Effectiveness

- MnDOT runs the equivalent of a multi-billion dollar project execution and services business
- Focused on being effective, accountable, transparent and efficient



Adopting new efficiency practices to wisely use state funding, saving money and motorist delays

- Performance-based design projects (Hwy 169/494, TH100 near Hwy 7)
- MnPASS Lanes
- Innovative Construction Methods – Maryland & Hastings Bridges
 - ✓ Both projects benefited from '08 (Chapter 152) funding



Original bridge

HASTINGS BRIDGE: \$120M. New bridge was built next to the old structure to keep the river crossing open to travelers and avoid a 47-mile detour.



Float down the river 9/12/12
Lifted into place 60 hours later



Completed bridge

Green Line to open June 14



Amtrak at Union Depot in 2014



In the near term

➤ Join us in the discussions:

- The importance of transportation investments:
 - ✓ Access labor
 - ✓ Access markets
 - ✓ Move products
 - ✓ Compete and prosper
- Preserve what we have, prepare MN for the future
- A balanced, multimodal view

