APWA Spring Conference

Sue Mulvihill, Deputy Commissioner, Chief Engineer

May 12, 2017
State Transportation System

- Over 141,482 miles of streets, roads and highways (5th largest);
  - State system = 12K
  - 59.1 billion annual vehicle miles traveled; 19,801 bridges carry a roadway in Minnesota
- Aviation / Airports
- Public ports and water freight
- Rail
- Transit
- Bicycle and Pedestrian Facilities

BIG SYSTEM!!
We know what’s ahead

• Freight truck and rail traffic to increase 30 percent by 2030

• 850 bridges will require significant work by 2025

• Nearly 1 million new Minnesotans by 2050

• Local roads and bridges unfunded need=$18 billion over 20 years

• More than 600 identified state road and bridge projects go unfunded
State Road Construction Program Outlook
Preservation versus Modernization

Standard green epoxied steel reinforcement lasts 50 years in our climate

Stainless steel reinforcement costs 3-4 times as much as green epoxied and lasts at least 100 years

Standard 16 gauge galvanized pipe lasts 25 years

Aluminized pipe costs 17% more but lasts 50+ years
The Perfect Storm of Need Drives the Funding Gap

Population/Freight shipments increasing

Aging Infrastructure

10 year State System Funding Gap = $6 billion

Increasing Fuel Efficiency; Flat VMT

Stable/Flat Federal Funding

Increased costs for Construction & Maintenance

A perfect storm of funding shortfalls and increasing costs
A Financially Unstable Path Forward

No New Funding Scenario
Maintaining Pavements to 2014 Condition
(2018-2037)
$21 Billion
The Vast Majority of Poor Quality Roads will be in Greater MN with No New Funding

20 Year Outcome Projections
States that have increased the fuel tax
## Funding Choices

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<tr>
<th>Scenario</th>
<th>10-year additional $</th>
<th>Key Outcome</th>
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<tbody>
<tr>
<td>Status Quo</td>
<td>$0</td>
<td>• 115% increase in state highway miles in poor condition by 2026</td>
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<td>• 16% of state roads will have zero remaining service life in 10 years</td>
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<td>• Limited expansion; preservation only after 2023</td>
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<td>• More rural roads and bridges in poor condition</td>
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<td>Be Economically Competitive/Fund the Gap (sustainable, dedicated long-term funding)</td>
<td>$6 Billion (gas tax, license tabs, bonding)</td>
<td>Preserve modernize, strategically expand</td>
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<td>• Improve 1,700 additional miles of pavement; 235 state bridges</td>
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<td>• Extend current system’s service life; improve safety and access</td>
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<td>• Complete Corridors of Commerce expansion projects</td>
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<td>• Remove bottlenecks and improve traffic flow</td>
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$11.946B

- $8.861B Roads and Bridges
  - $6B State road
    - $5.46B investment
    - $.54 efficiencies
  - $.19B Cities Under 5,000
  - $.025B Tribal Road
  - $2.416B County, City, Townships
  - $.19B Large Cities
  - .04B ADA Local Projects

- .025B Bike and Ped

- Transit $3.06B
  - $.10B Greater MN Transit
  - $2.96B Metro Transit
• MnDOT saved and reinvested $71M in FY2016 through efficiencies in construction program delivery, project development, maintenance, and agency operations.

• But greater efficiency is only a part of the answer – eventually you do less with less: the kind of short term fixes that are grossly inefficient

• With new, ongoing and dedicated revenue MnDOT has committed to increase efficiency, innovate and stretch our new revenue 15% further
Outstanding Issues to Resolve at the Capitol

• Trunk Highway Earmarking—Inefficient and unprecedented in scope

• Constitutionally dedicated sources of funds versus the general fund for transportation

• Lack of transit funding – metro and greater Minnesota

• Lack of freight rail funding – no long-term planning/coordination, safety concerns go unaddressed

• Federal funds should not be counted as new revenue for transportation
What we need to do

• Long-term investment
  • Sustainable
  • Dedicated
  • Predictable
    • $6 billion for state (ongoing)
    • $2.41 billion for local governments (ongoing)

• This will provide
  • Fuel economic growth, support business expansion
  • Enhance safety for traveling public
  • Strong, well maintained infrastructure
  • Reduced costs with early fixes
  • Support to thousands of jobs in transportation sector