



Statewide Transportation Plan Update

Setting the Context

TAC / MIC
April 15 / 16, 2008



Let's Talk About:

- Setting the Context
 - Why Update the Plan?
 - Review major socio-economic trends
 - Review revenue and cost outlook
- Discuss implications and options for Direction of Plan Update
 - What should be the “Vision” for Transportation?
 - What should be the investment priorities & strategies for available funding?



Why update the Plan?

- State statute - requires update every 6 years
- Federal requirements - content, process to maintain federal funding eligibility
 - Required coordination with MPO plans, updated every 4-5 years
- New issues & opportunities
 - Experience with performance-based planning
 - Critical importance of system preservation

Plan Update Approach



- Update 2003 Policy Plan
 - 10 Key Policy/Issue Areas
 - Address all modes
 - Build on modal, safety, operations plans

- Dec-Feb, 09:
 - Public Outreach
 - Formal Public Hearings
- March, 09: Review comments, revisions, recommend Plan



Setting the Context

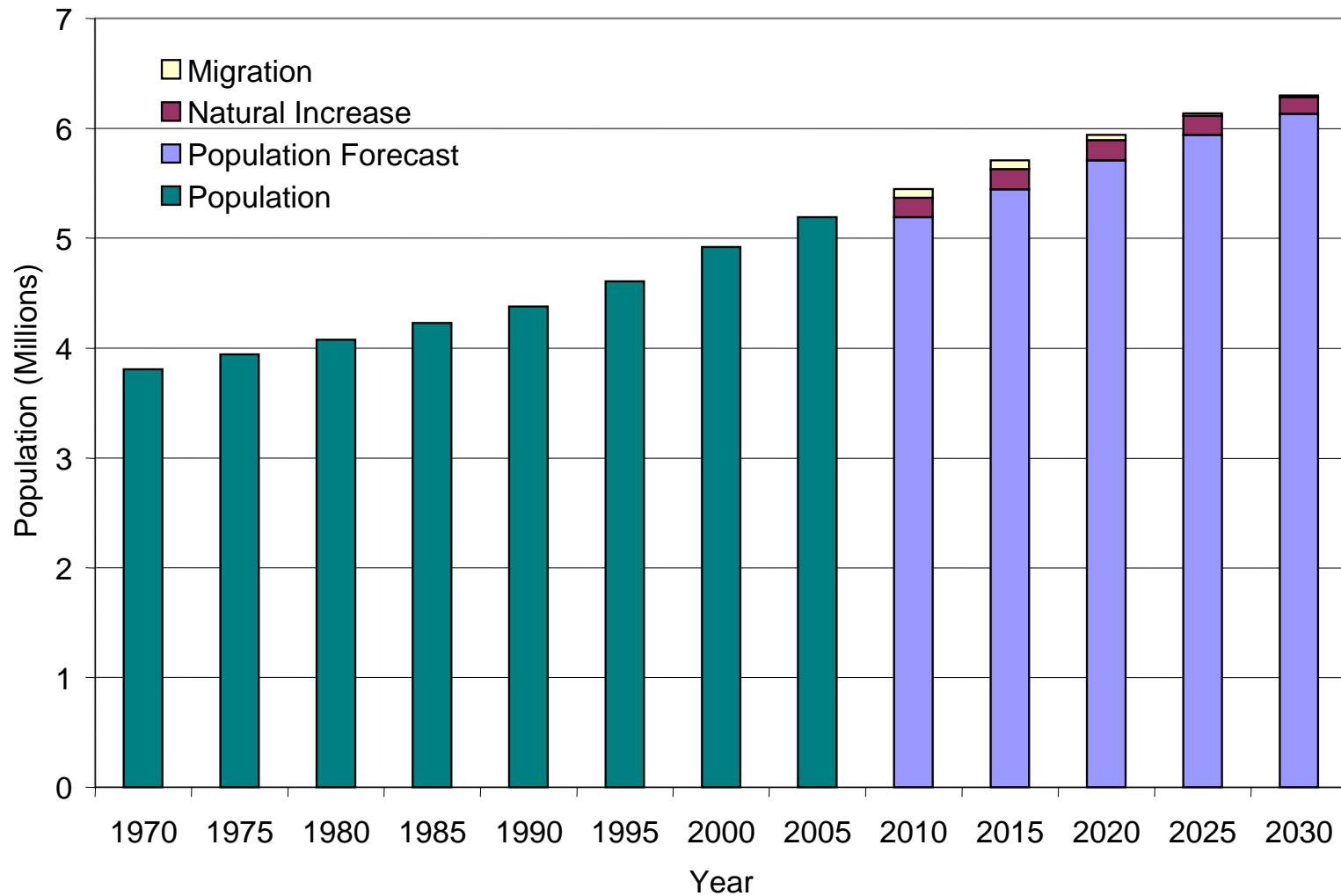
Key Socio-Economic Trends



1.1 Million more people in 2030



Minnesota Population Trend and Forecasts: 1990- 2030

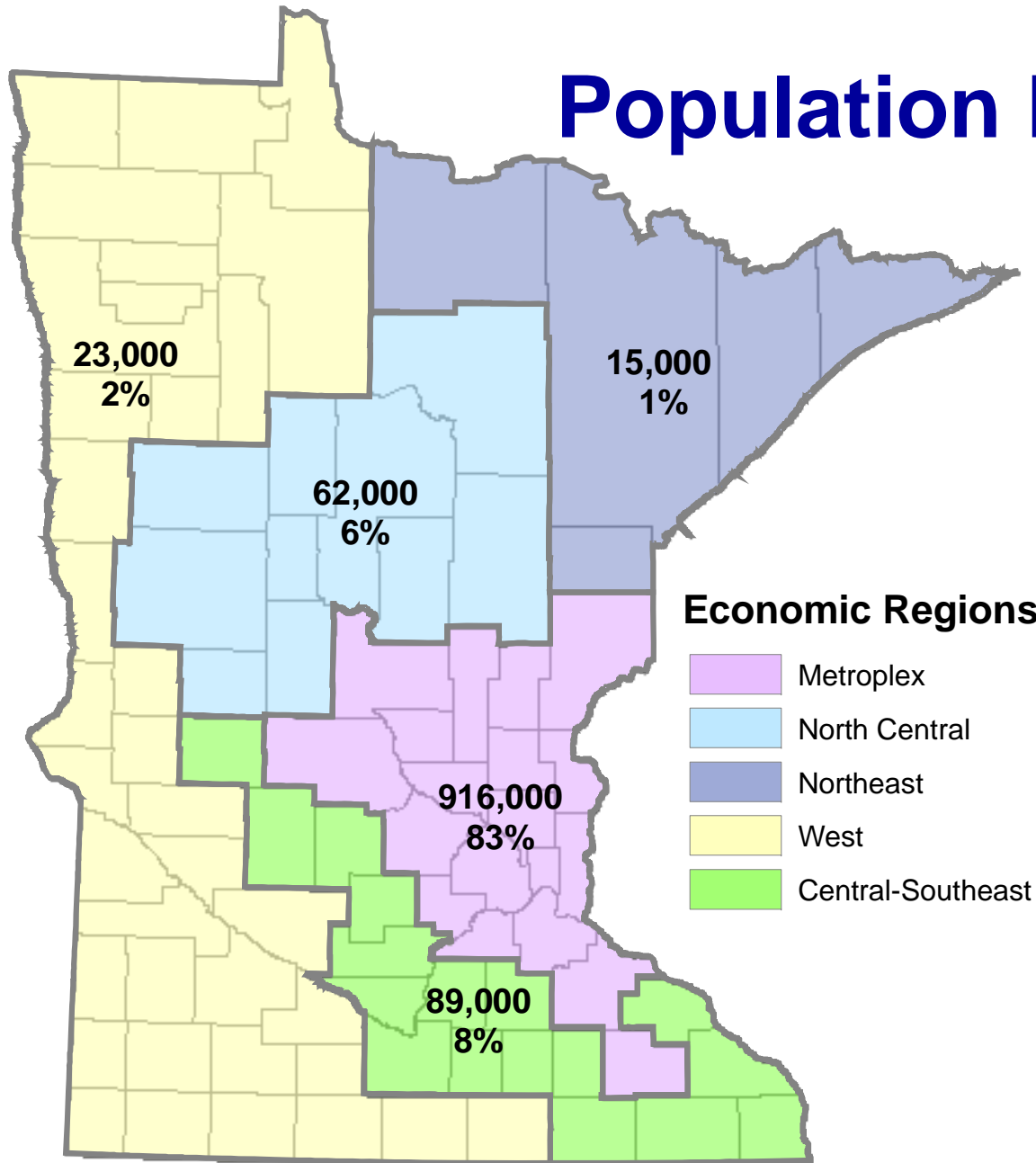


Source: U.S. Census Bureau and Minnesota State Demographic Center, April 2007



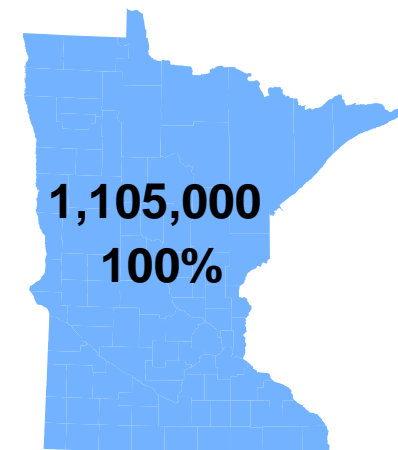
Population Forecast

Population growth forecast
by Region: 2005-2030



Economic Regions

- Metroplex
- North Central
- Northeast
- West
- Central-Southeast



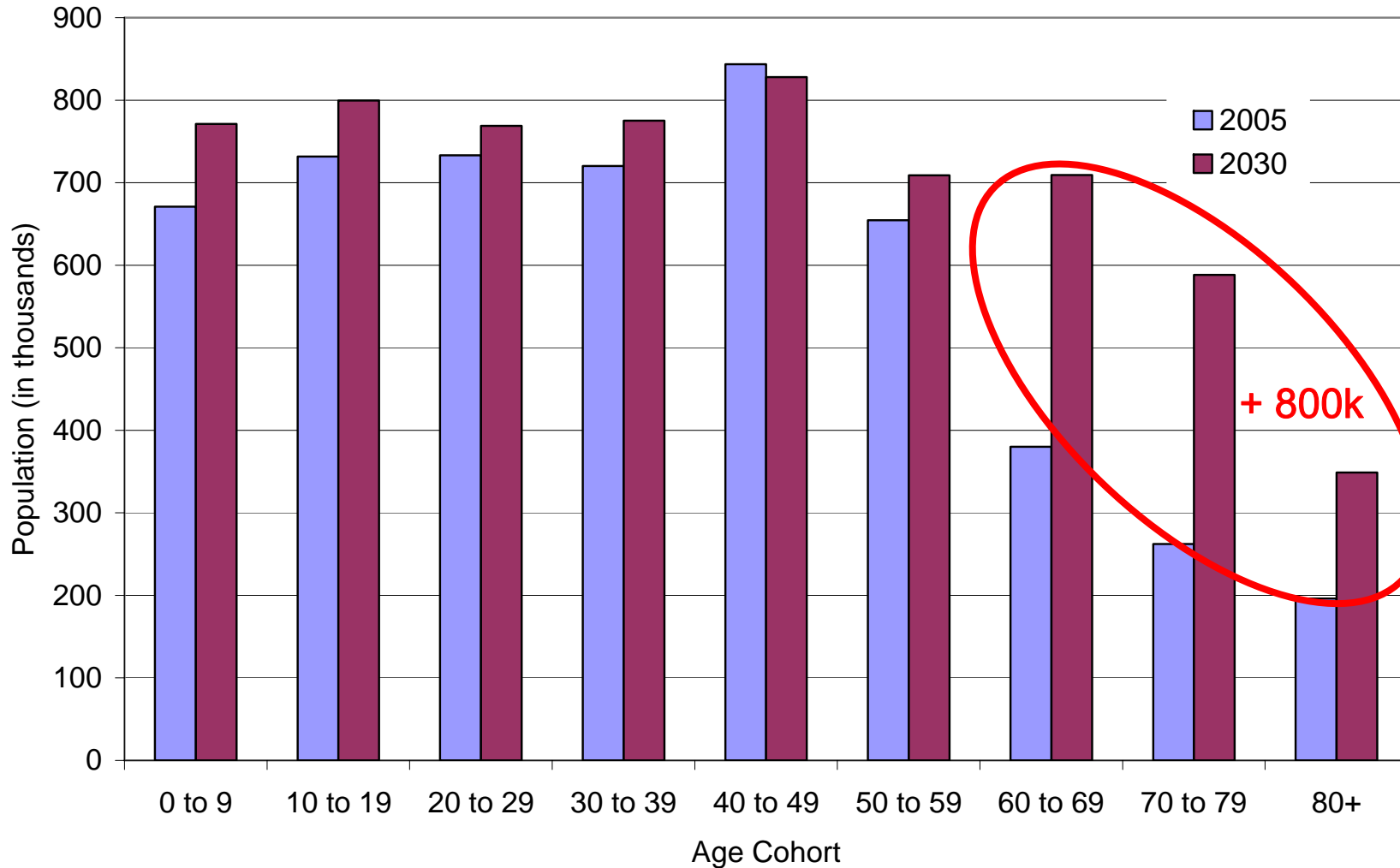
0,000 = Forecasted Population Increase 2005-2030
0% = Percent of Minnesota's population growth forecasted in Region

Source: Minnesota State Demographic Center, April 2007

1 in 5 Minnesotan's will be 65+ by 2030



Minnesota's Population by Age:
2005 and 2030

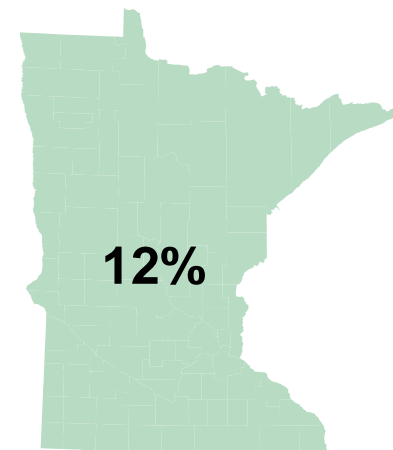
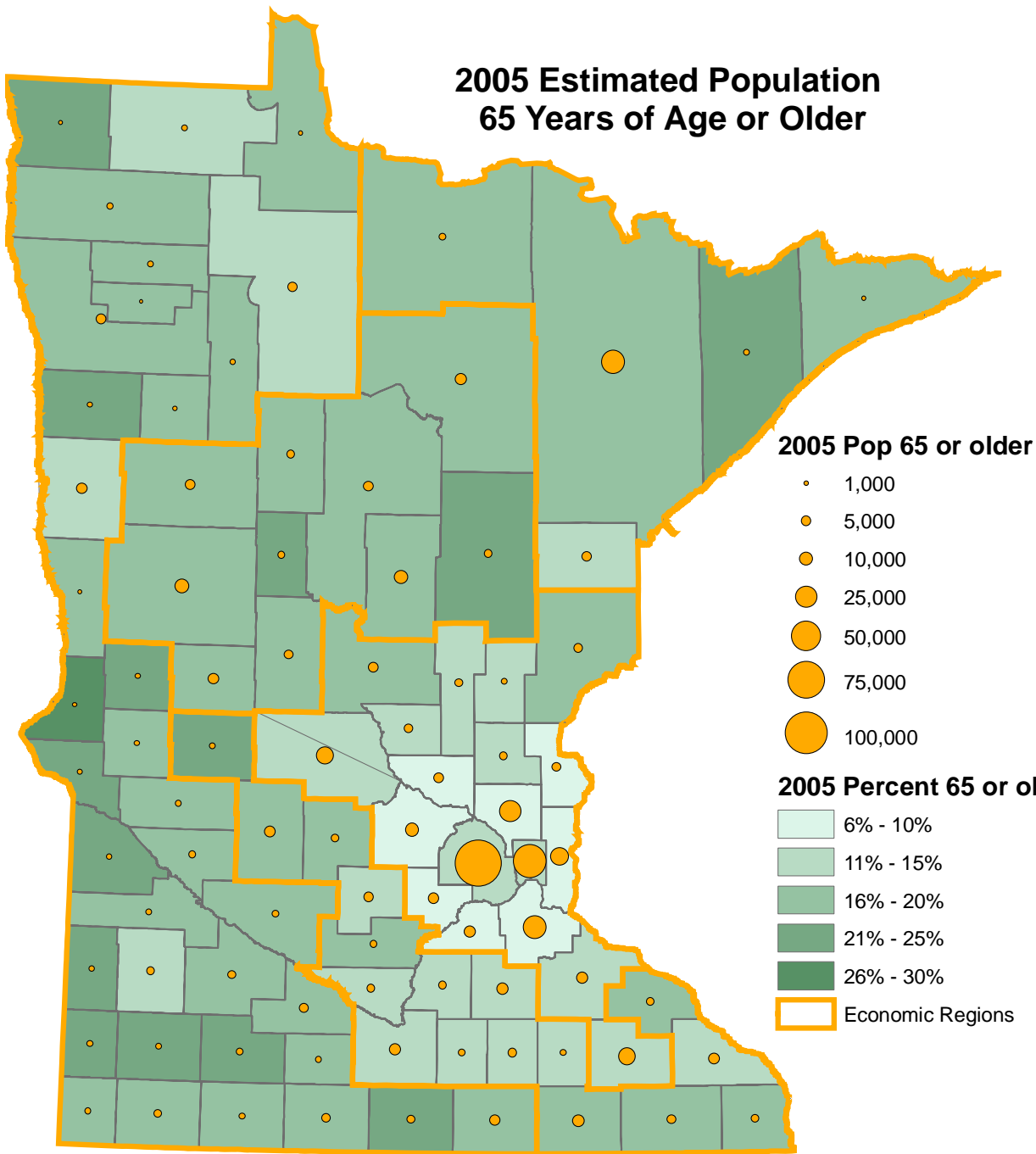


Source: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005.

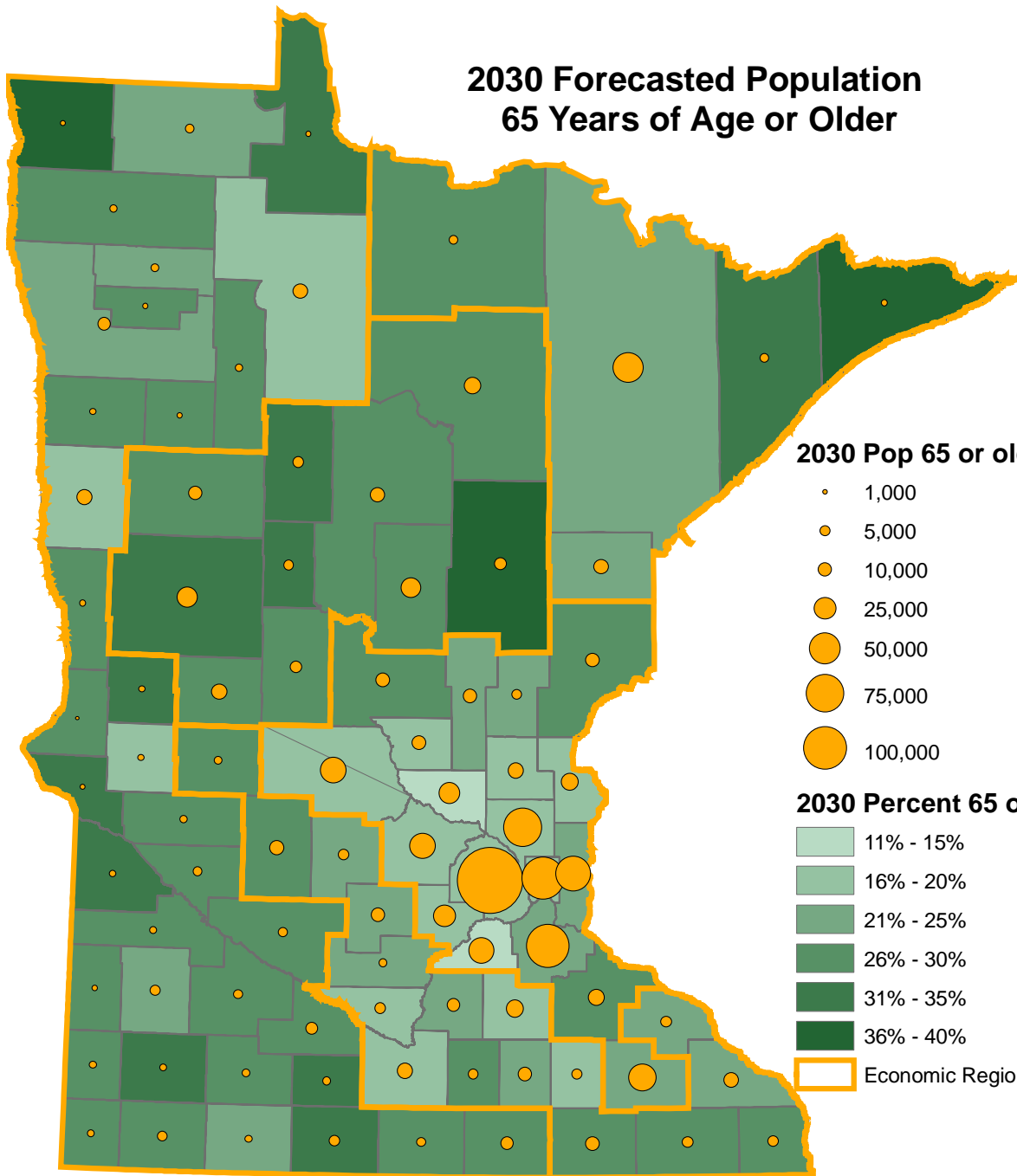


2005 Estimated Population 65 Years of Age or Older

Rural counties have higher percentages of seniors, but not necessarily the highest senior populations.

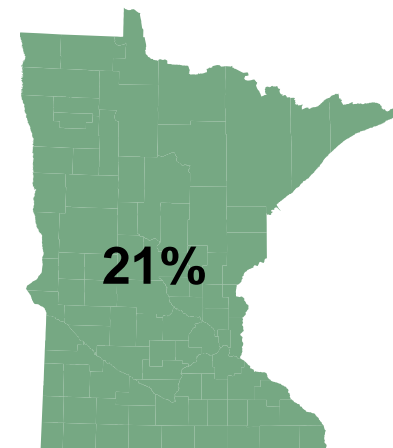


2030 Forecasted Population 65 Years of Age or Older



By 2030, the percentage of seniors will be dramatically higher in rural Minnesota.

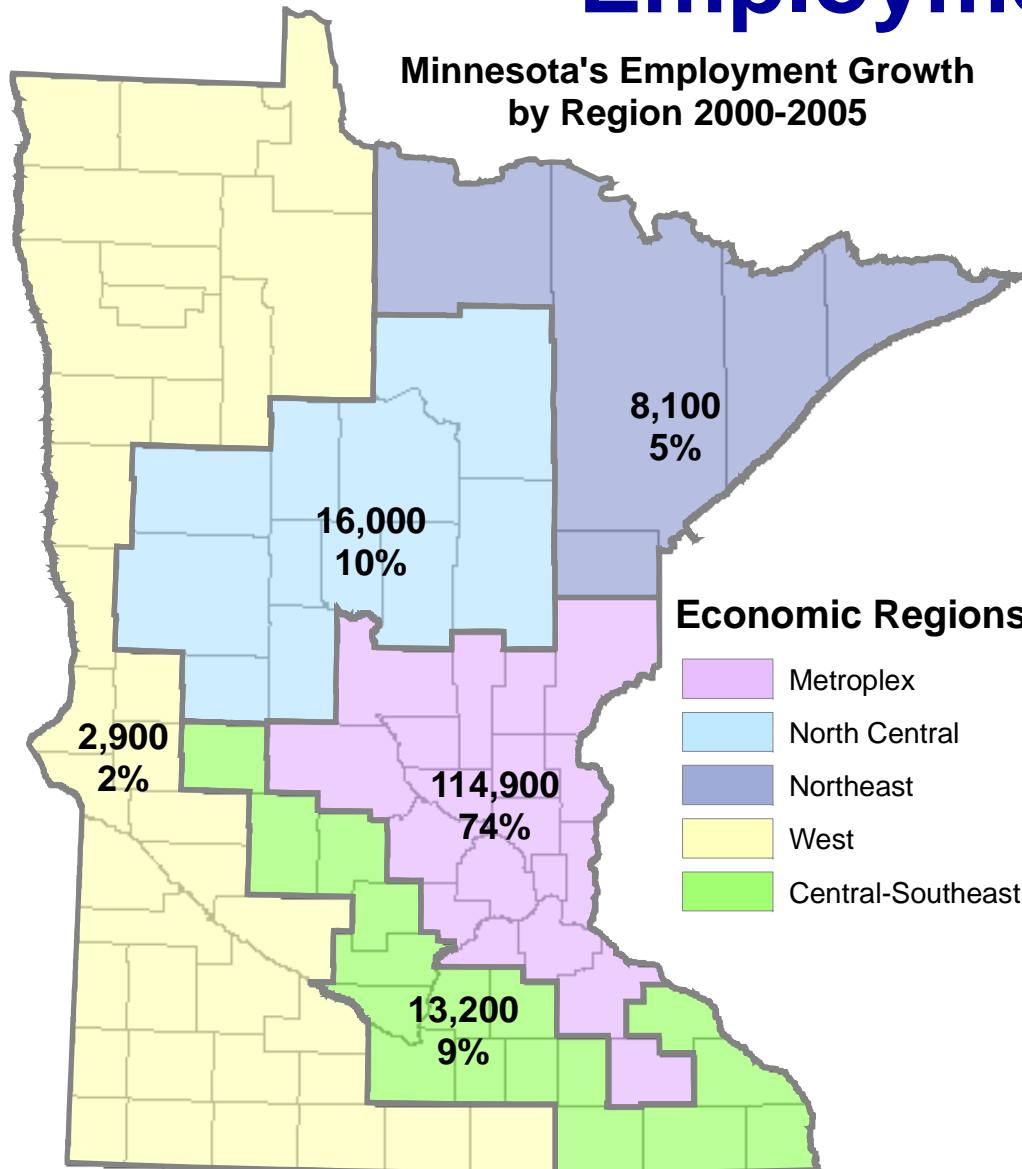
However, the highest growth in number of senior residents will be in metropolitan areas.





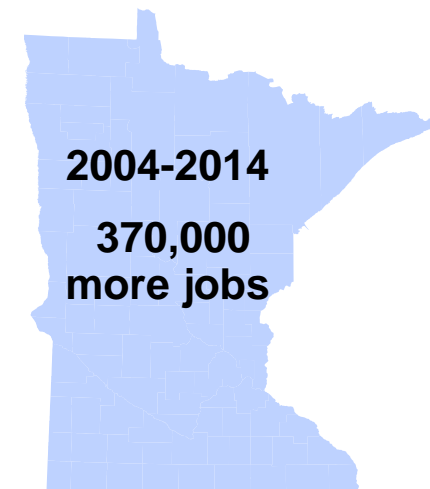
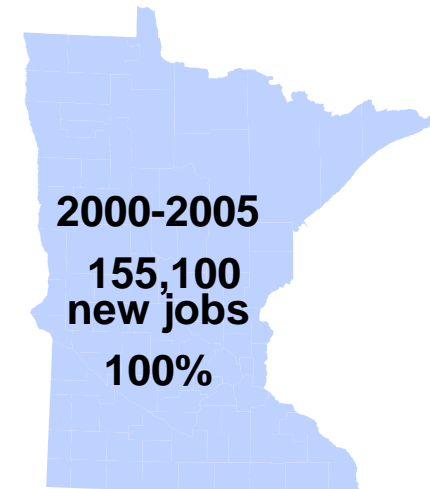
Employment Growth

Minnesota's Employment Growth
by Region 2000-2005



0,000 = Employment Increase 2000-2005
0% = Percent of Minnesota's Employment Growth in Region

Source: U.S. Bureau of Economic Analysis.

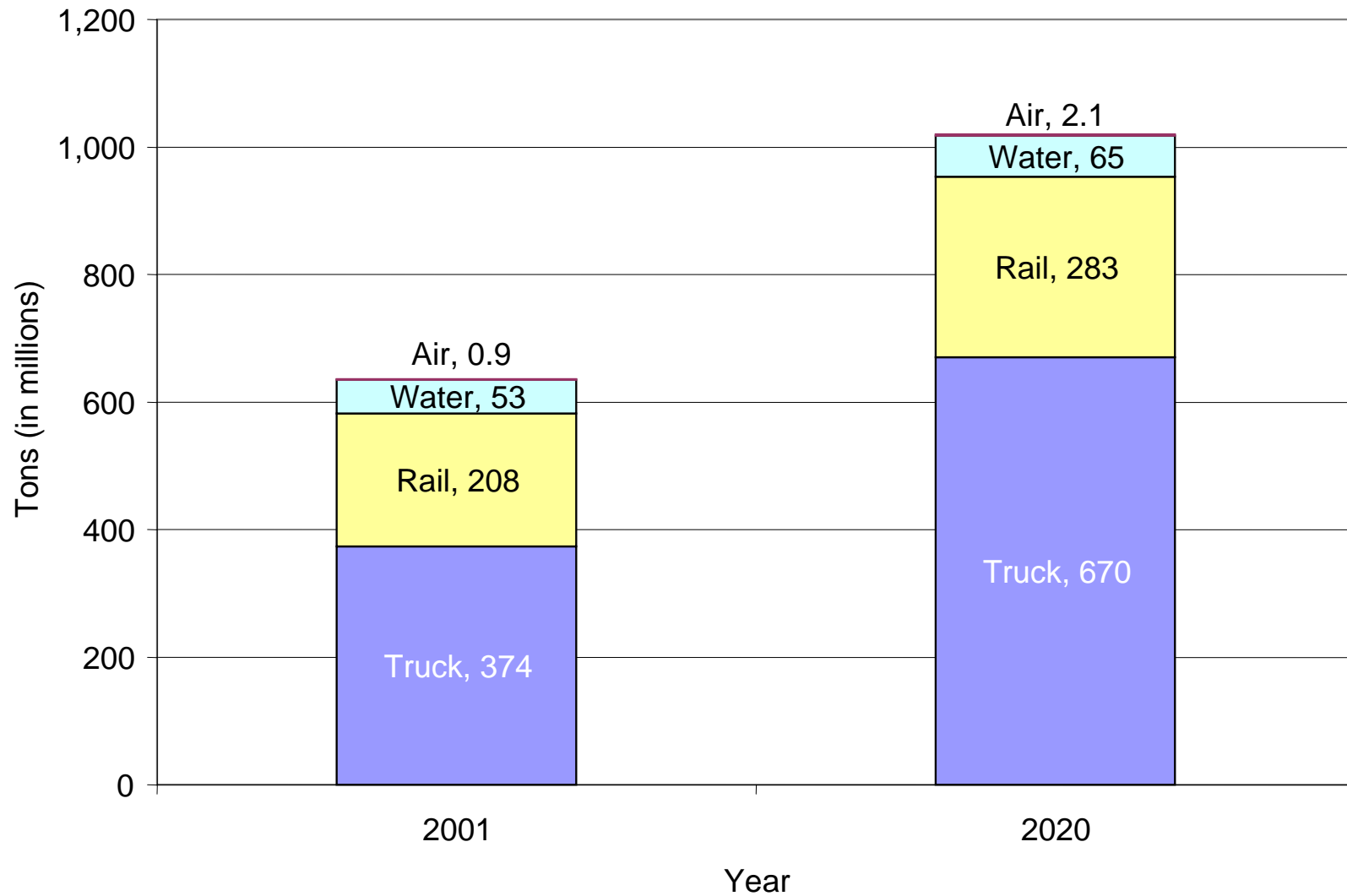


Source: Minnesota Department of
 Employment and Economic
 Development



2001-2020: Freight tons up 60%

Minnesota Freight Mode Share

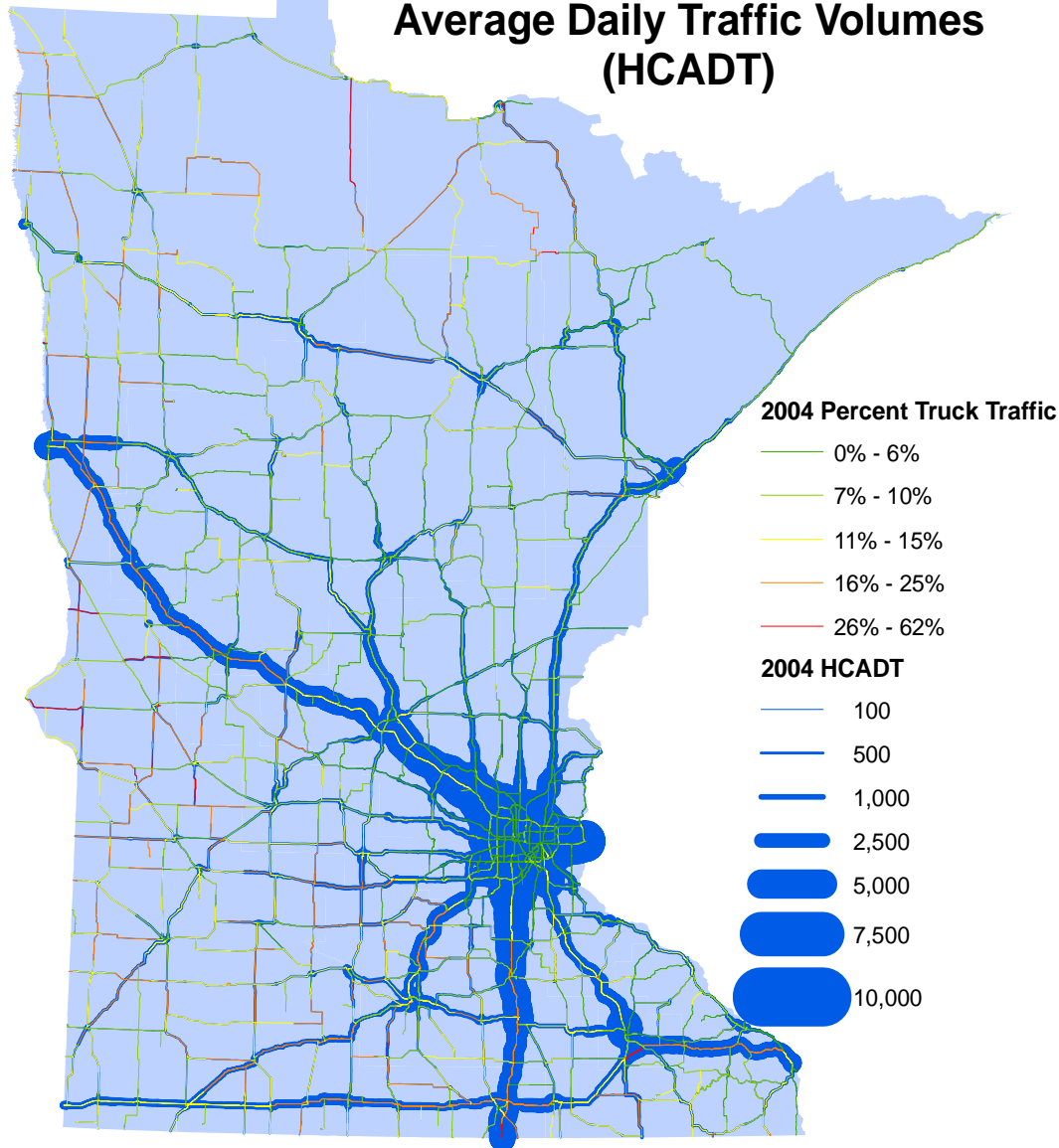


Source: Minnesota Statewide Freight Plan, Minnesota Department of Transportation



Heavy Commercial Vehicle Traffic

2004 Heavy Commercial Vehicle
Average Daily Traffic Volumes
(HCADT)

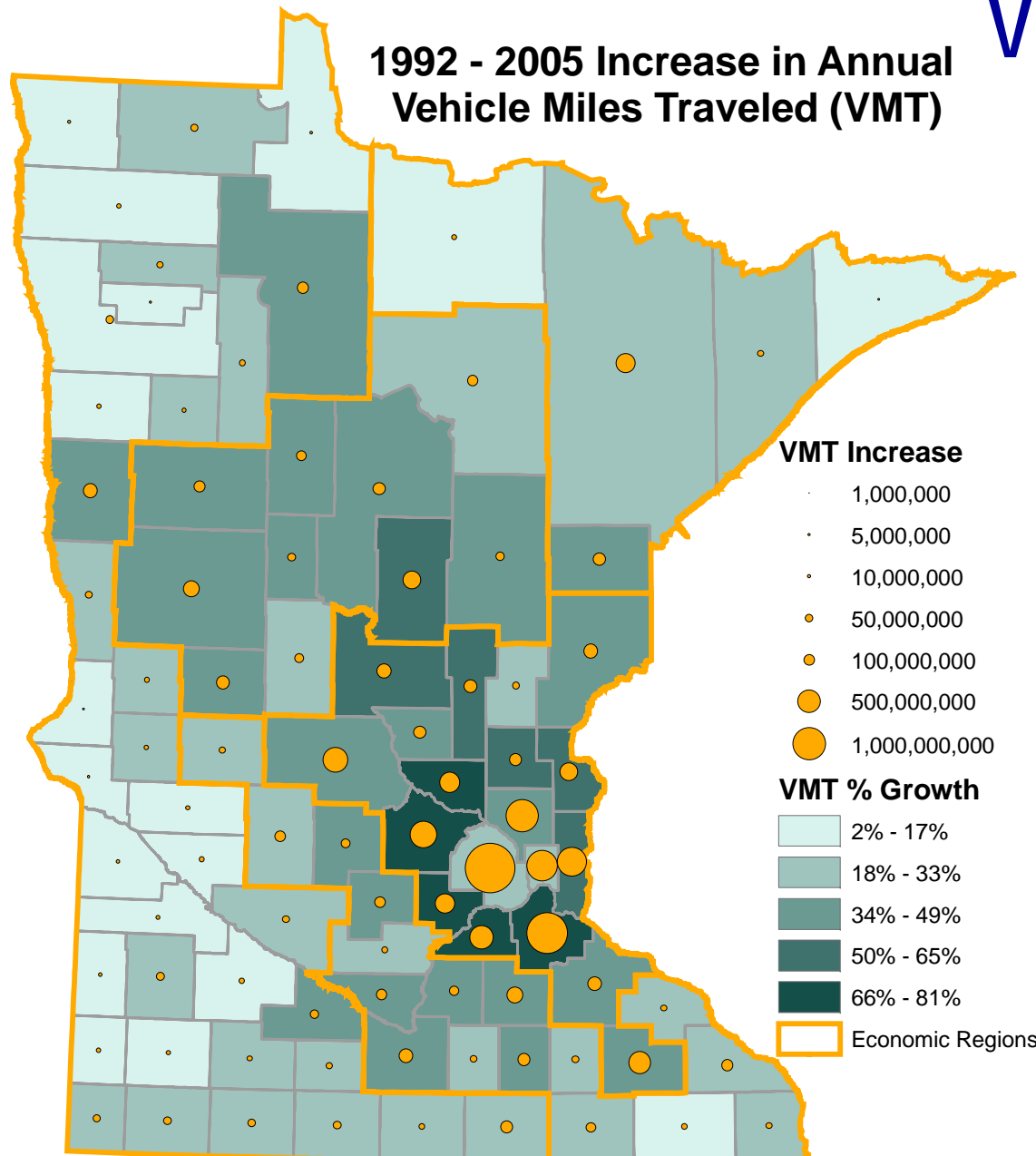


Source: Minnesota Department of Transportation: Office of Transportation Data and Analysis



VMT Growth

1992 - 2005 Increase in Annual Vehicle Miles Traveled (VMT)



Regional differences in VMT growth follow job, population & household growth increases.

VMT growth 37% 1992-2005

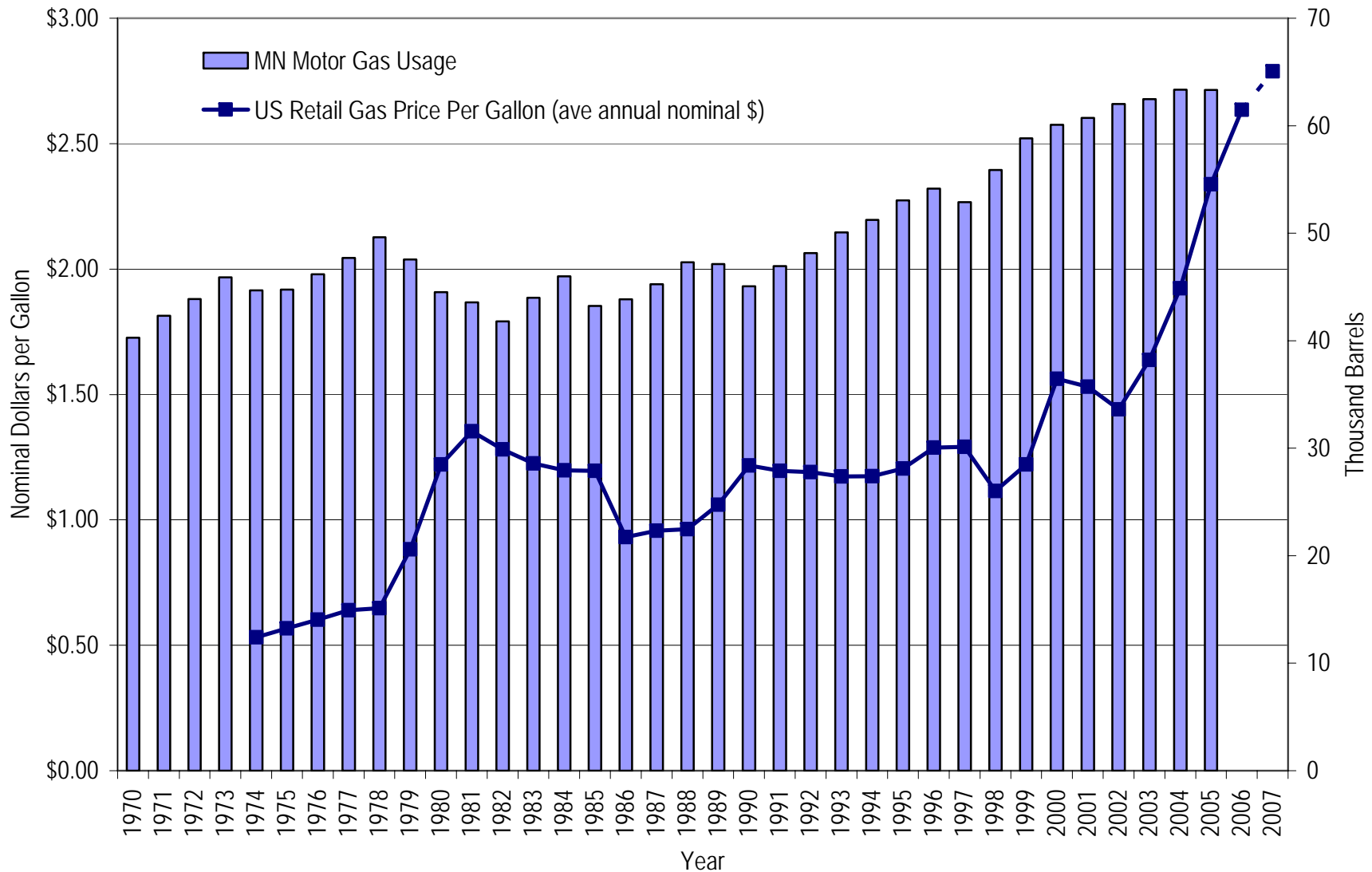
Slower growth 2000-2006

Source: Minnesota Department of Transportation TDA



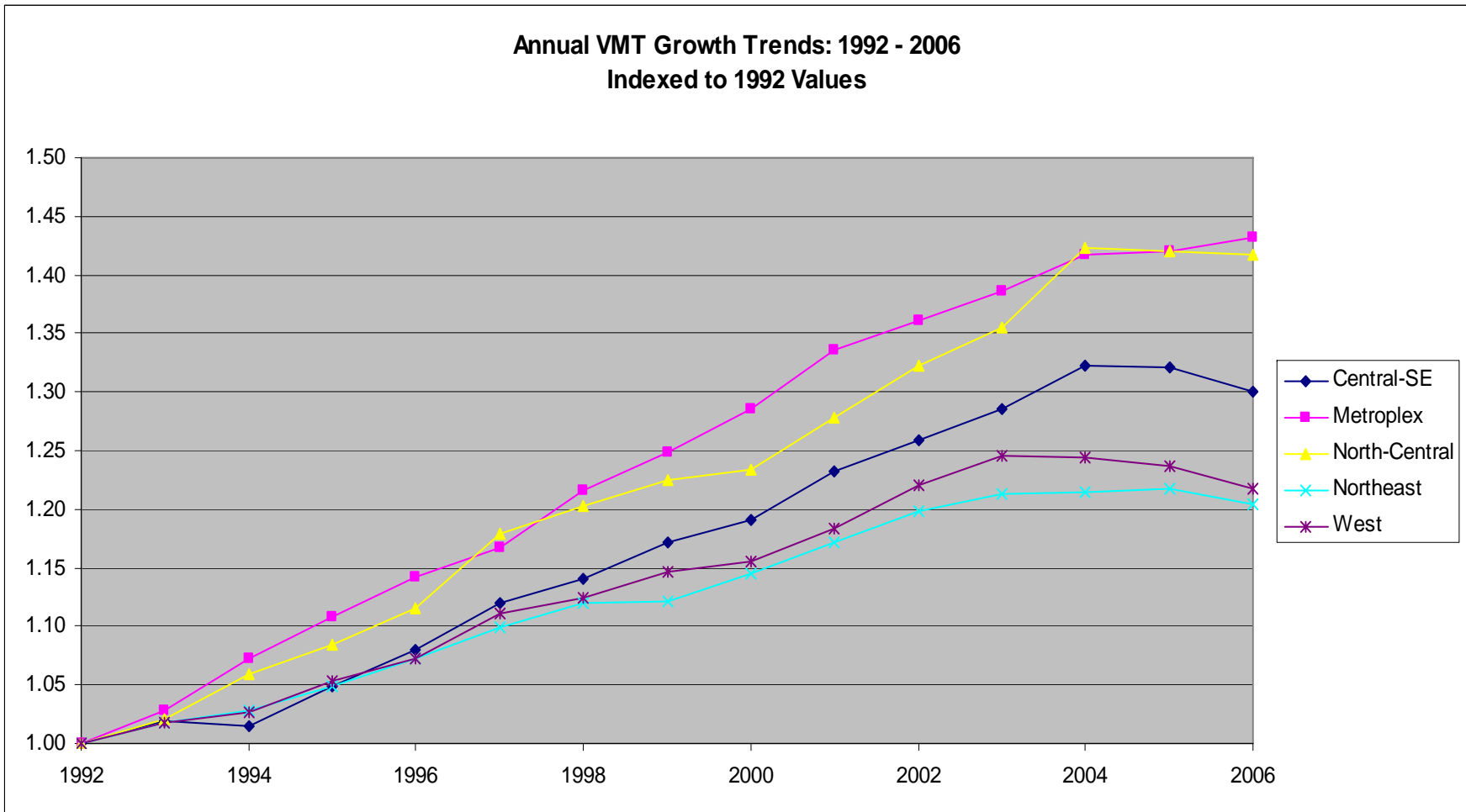
Motor Gasoline Price Trend

US Motor Gasoline Price & Minnesota Usage



Source: Energy Information Center

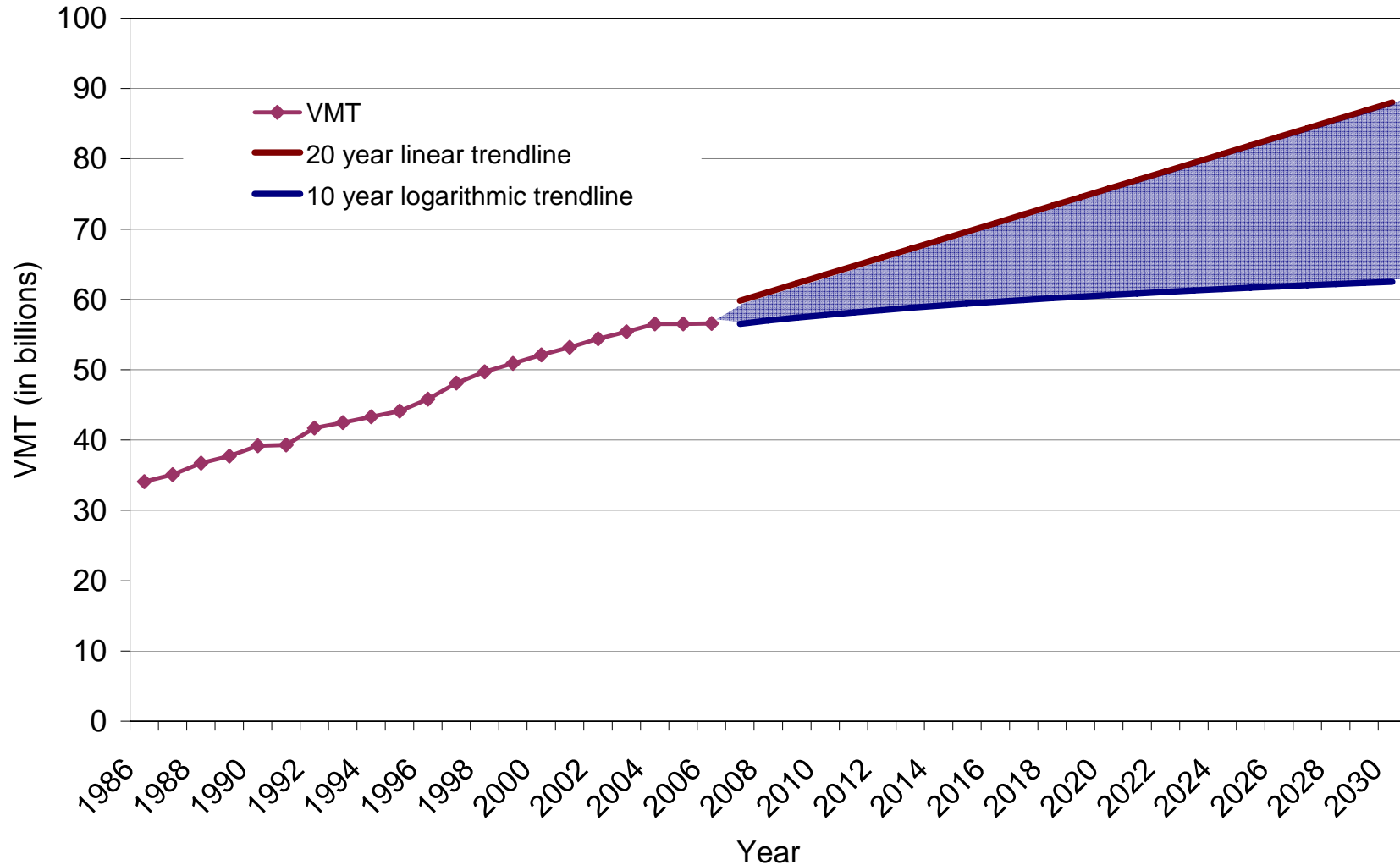
VMT Trends by region





Traffic is Growing?

Minnesota Vehicle Miles Traveled (VMT) Trend and Projections

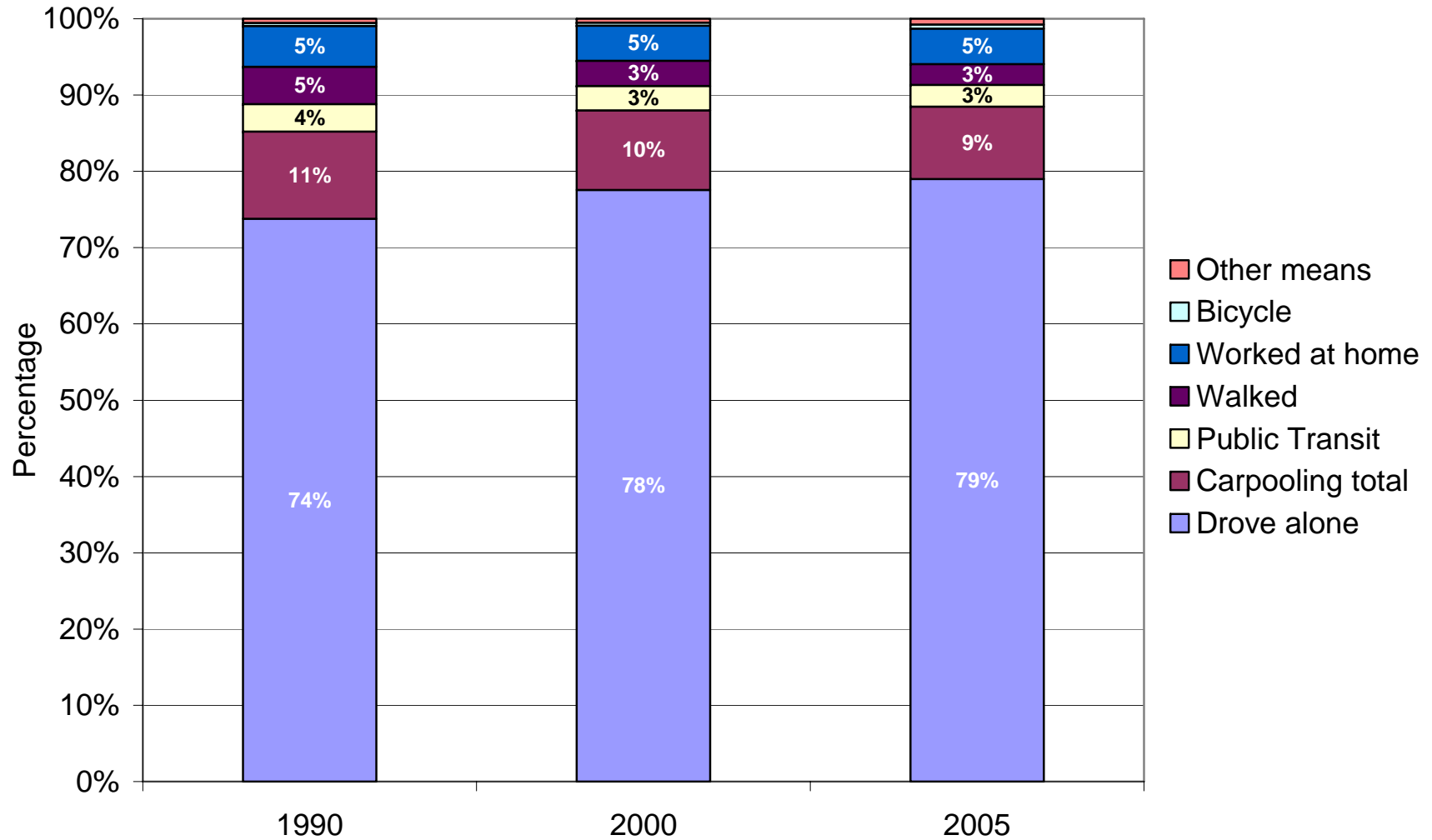


Source: Minnesota Department of Transportation TDA and OIM



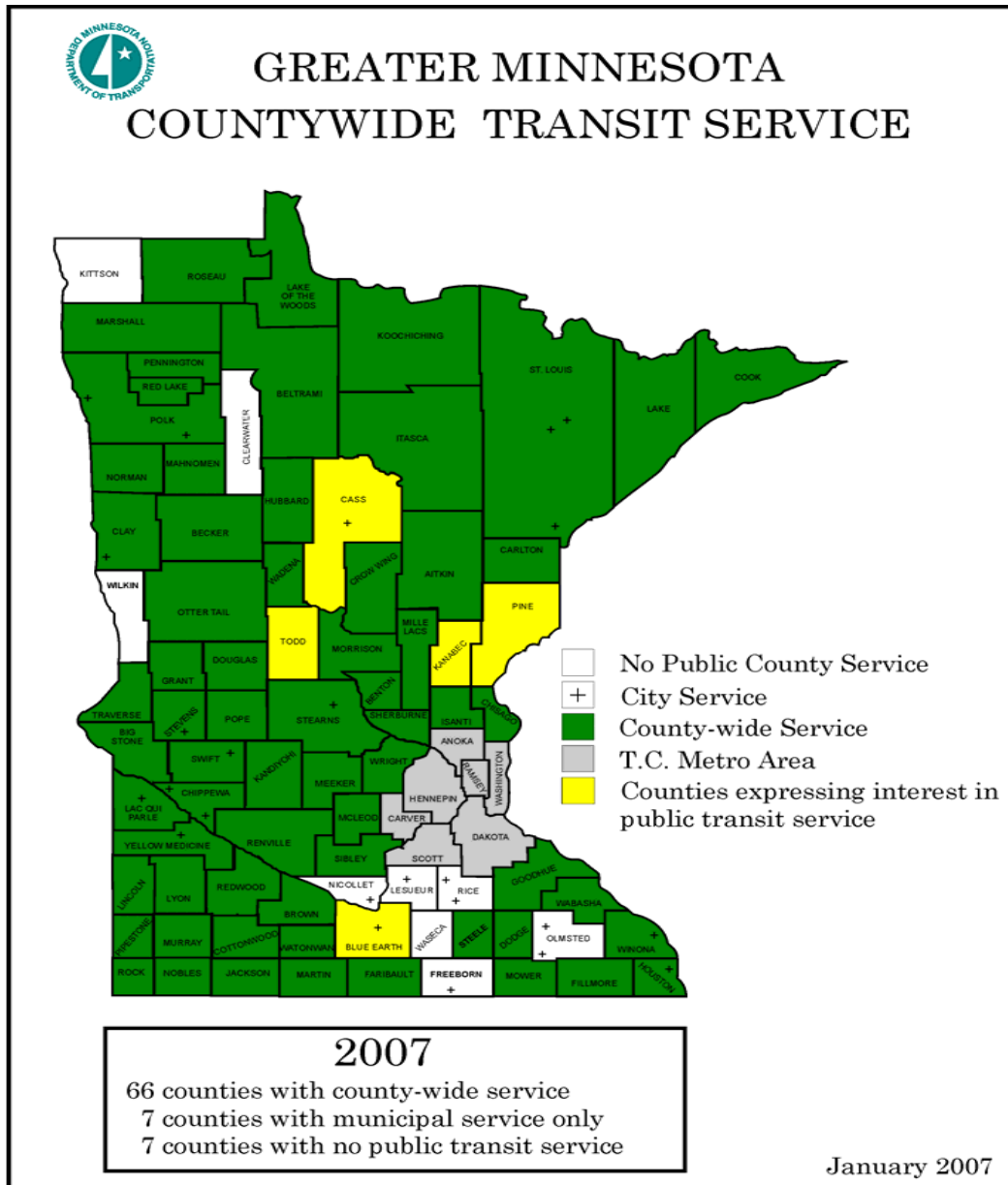
How we travel

Minnesota: Mode of Transport to Work: 1990-2005



Source: US Census Bureau: CTPP American Community Survey 2005

9.8 M Transit Rides in Greater MN



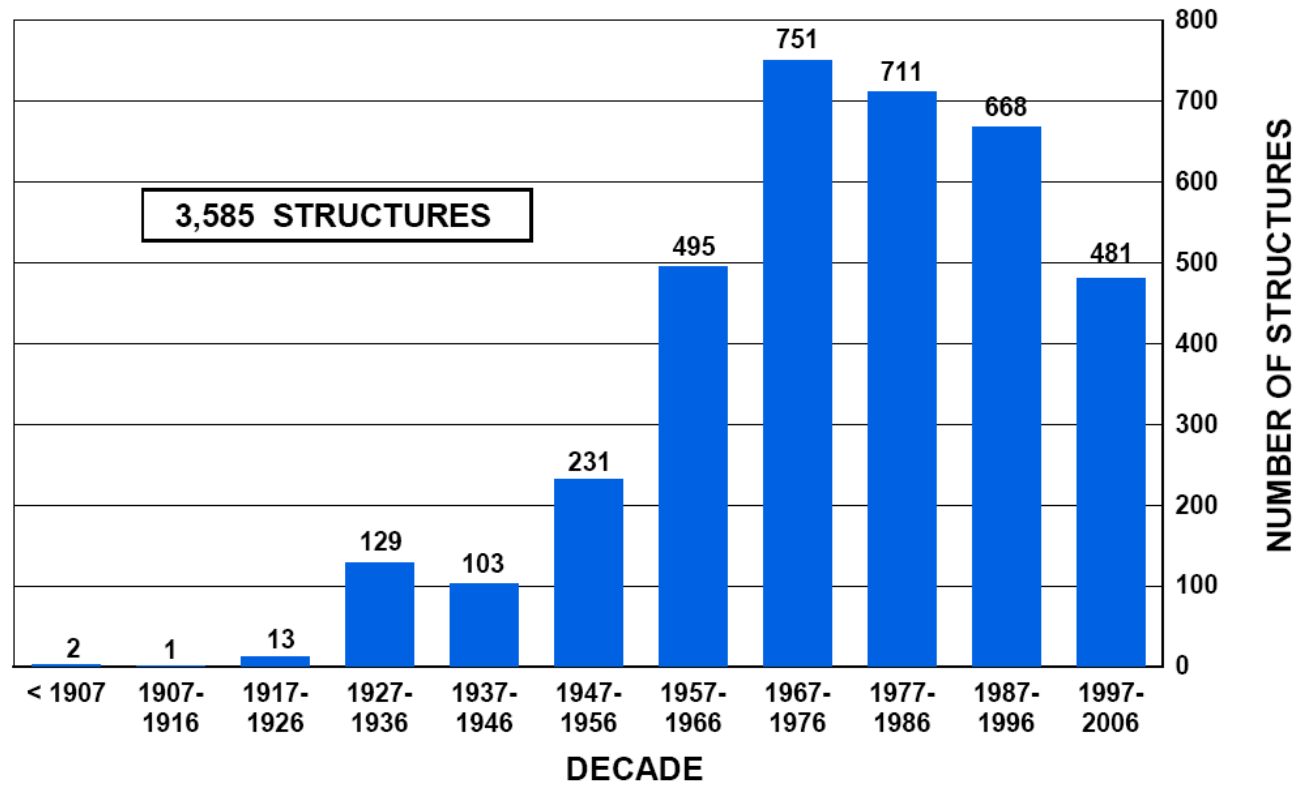
9.8 Million rides 2006

1996-2006
10% increase



Challenge: Aging Bridges

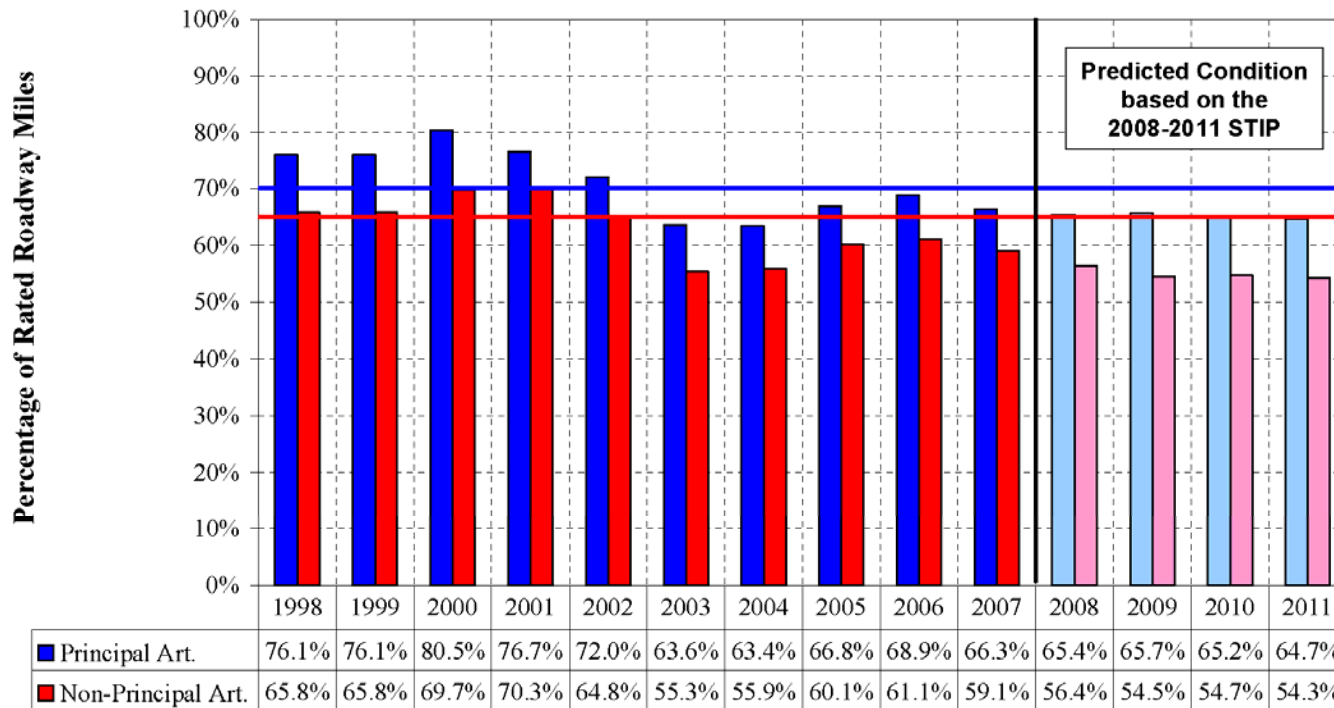
AGE PROFILE TRUNK HIGHWAYS ONLY 20 FT AND OVER 2007





Challenge: Maintaining Pavements

“Good” Ride Quality Index
 (miles with a RQI greater than 3.0)
 Statewide Data

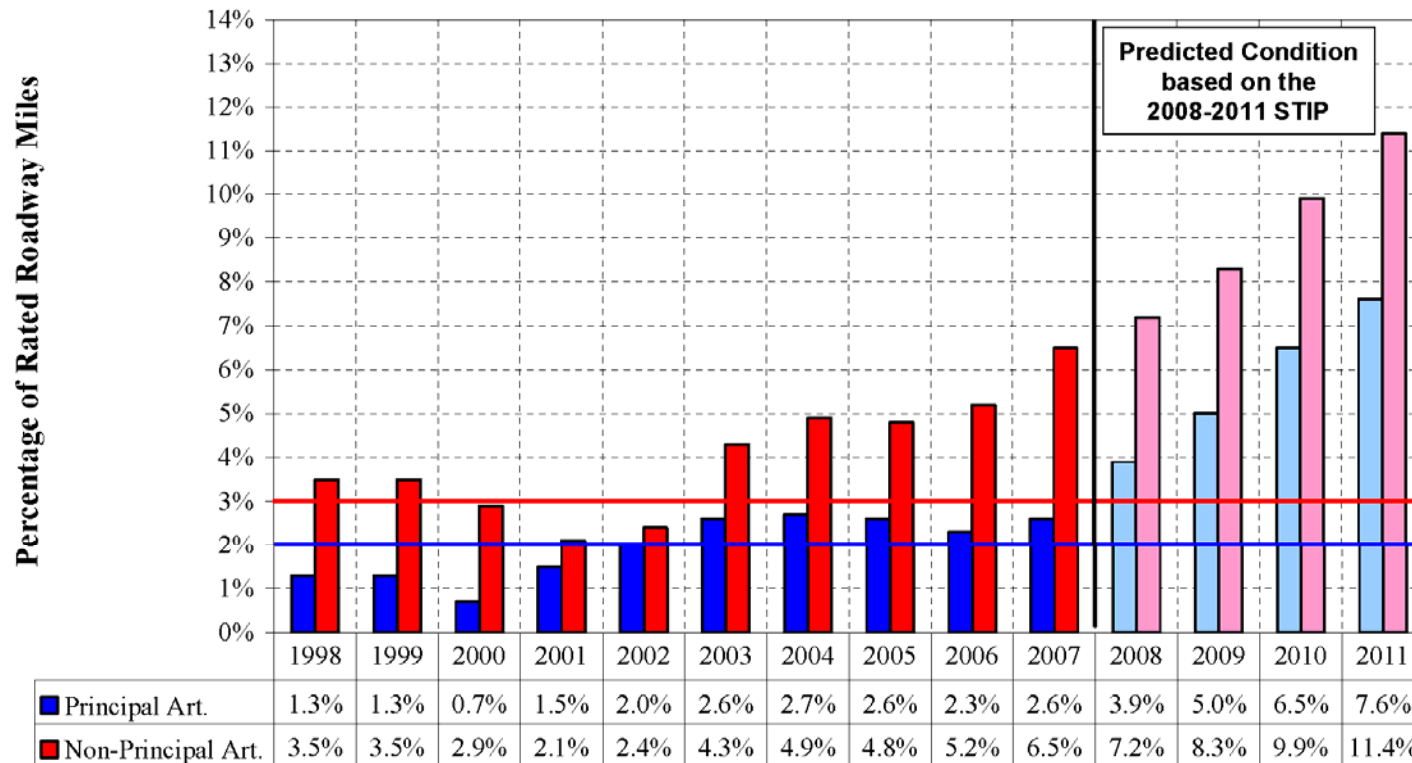


Principal Arterial Target = 70 percent or more
Non-Principal Arterial Target = 65 percent or more

Challenge: Maintaining Pavements Especially on “Poor” Quality Roads



“Poor” Ride Quality Index
(miles with a RQI of 2.0 or less)
Statewide Data

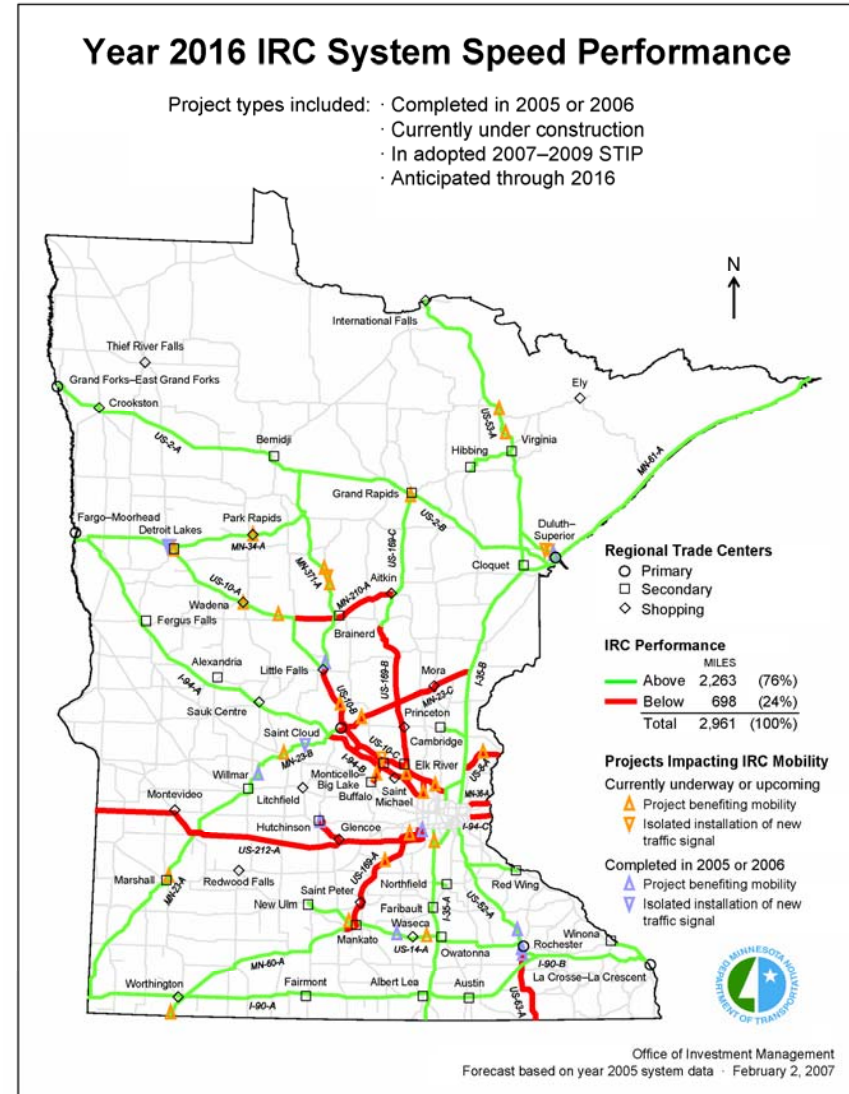
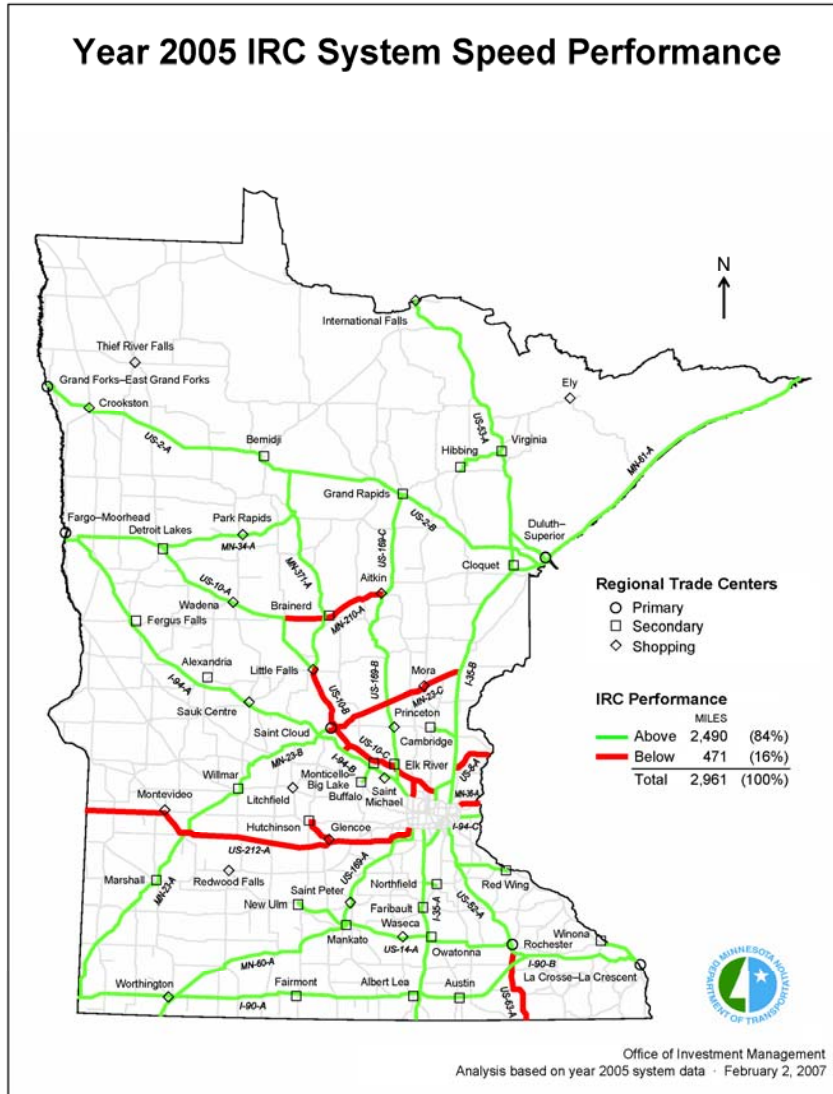


Principal Arterial Target = 2 percent or less
Non-Principal Arterial Target = 3 percent or less

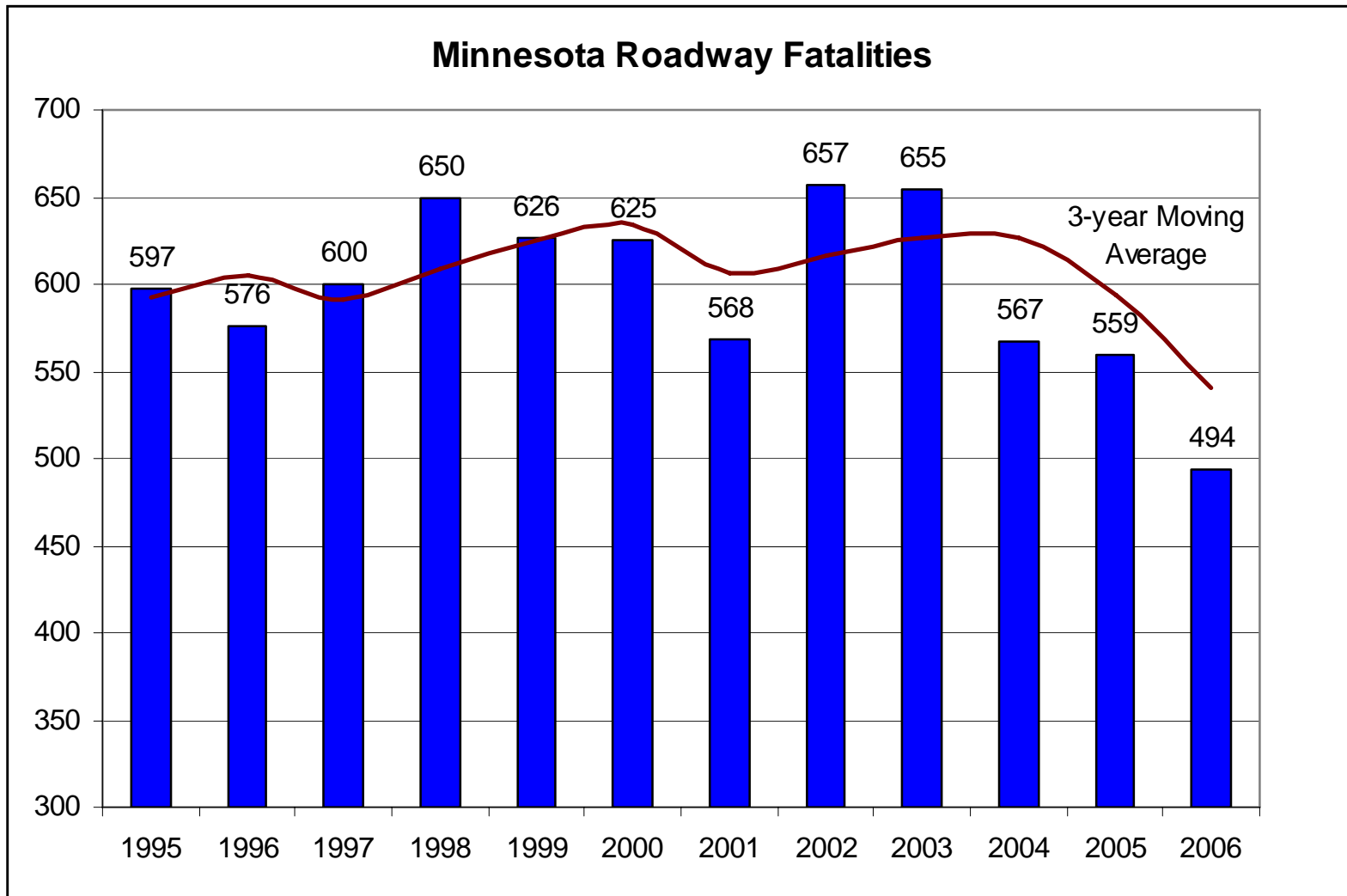
Challenge: Maintaining Mobility on IRCs



2005 – 2016 Comparison



Challenge: Reducing Fatalities



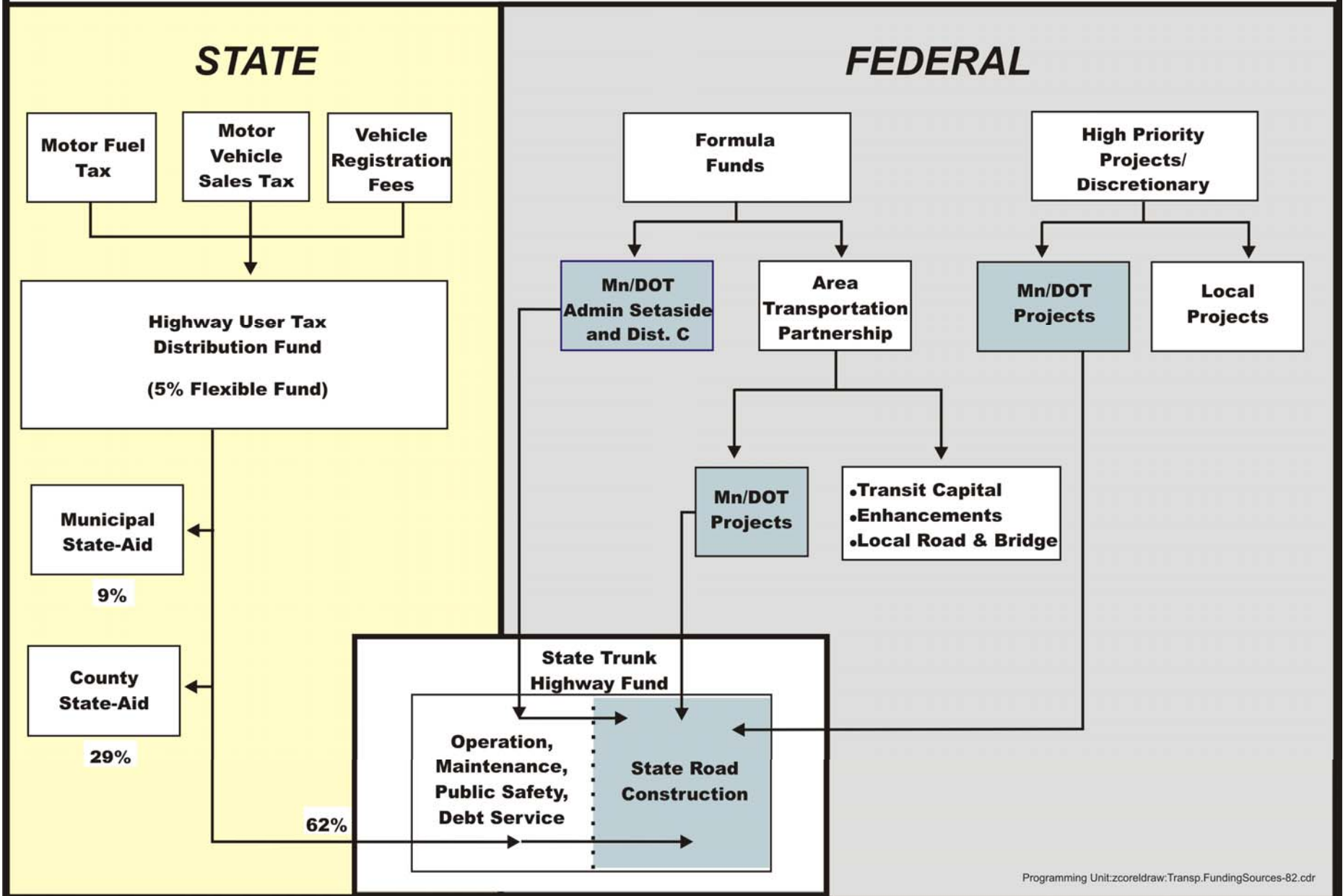


Setting the Context

Revenue & Cost Outlook



TRANSPORTATION FUNDING SOURCES



State Revenue Outlook 2009-28

for Long Range Planning Purposes



- Gas Tax **Forecast: 2009-2028 (1.6% per yr); Modest Growth**
 - 1990-2000 (2.9% pa); High Growth
 - 2000-2007 (0.9% pa); Low to Negative Growth

- MVST Revenue **Forecast: 2009-2028 (1.6% per yr) Low Growth**
 - 1990-2000: (6.8% pa); Very High Growth
 - 2000-2007: (-0.2%); Little to Negative Growth in Revenues

- TAB Fee Revenues **Forecast: 2009-2028 (1.6% per yr) Low Growth**
 - 1990-2000 Very High Growth (5.4% pa)
 - 2000-2007 (1.6% pa) Low to Negative growth in Revenues



Federal Funding Outlook

History: 1990-2007: Growth in Federal Funding (4.6% pa)

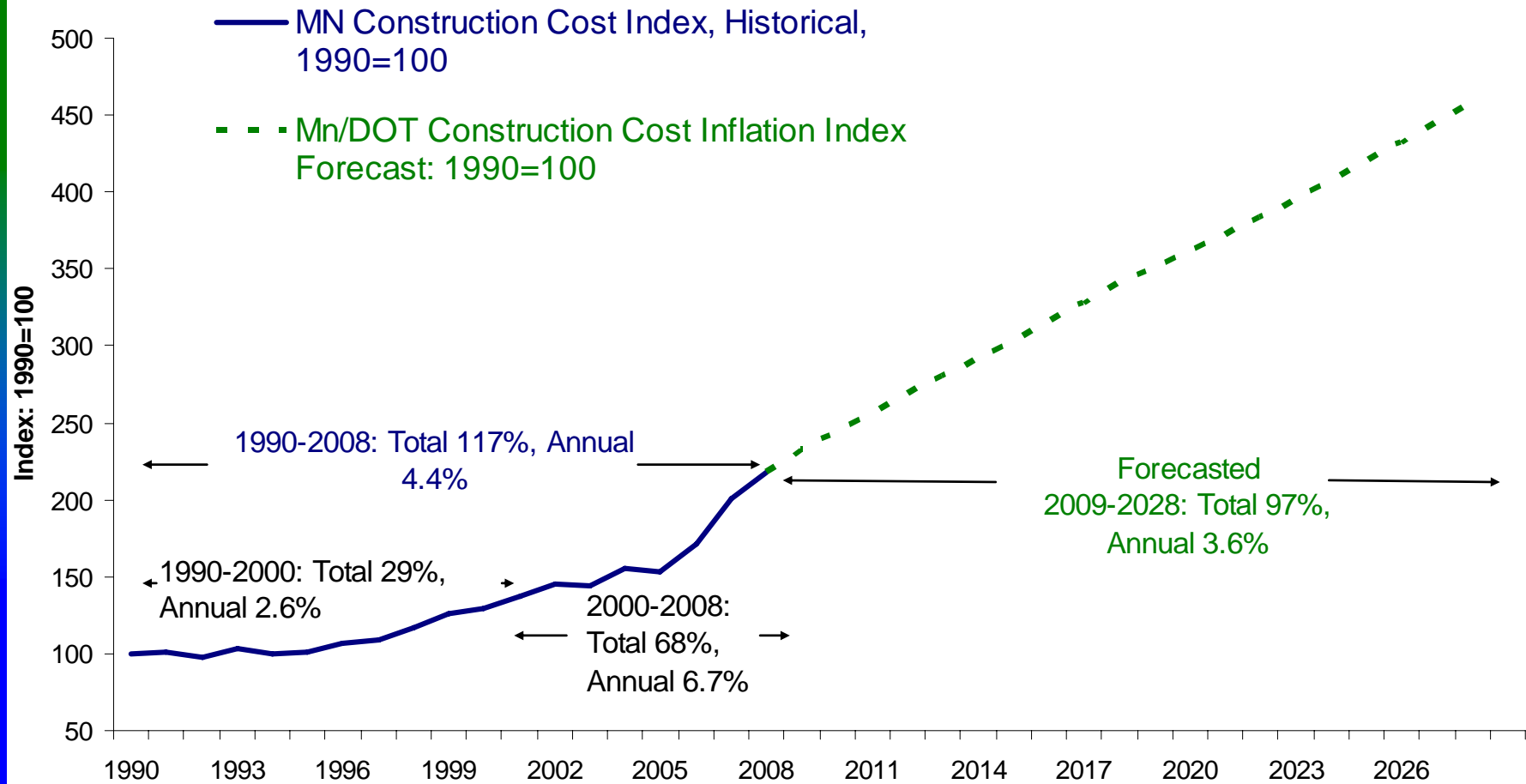
- Increased Funding levels for last three Federal Transportation Bills
- FY05, Federal Highway Trust Fund (FHTF) had a surplus of \$10.6 billion
- Significant increase in funding levels under SAFETEA-LU, running down the FHTF

Forecast: 2009-2028 Formula funding continues at current level, modest growth 2016 onward (1.6% pa)

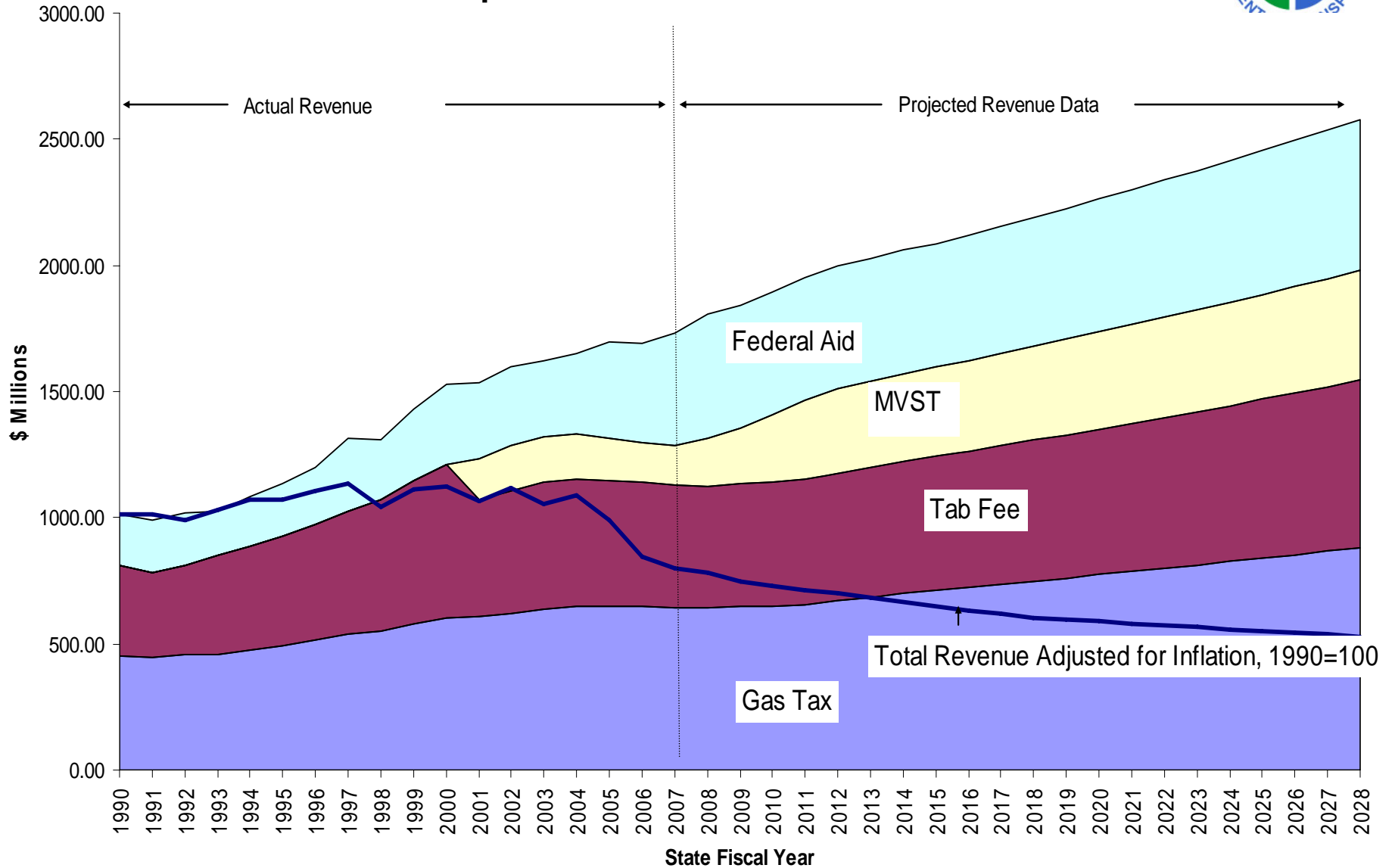
- FY09, FHTF is expected to be at -\$4.3 billion
- Options available to fund the shortfall temporarily
 - Federal Gas Tax or General Fund contribution
 - Reductions in discretionary programs



Mn/DOT Construction Cost Index: 1990-2028



Minnesota Highway User Distribution Fund and Highway Federal Aid, and the Impact of Construction Cost Increases





System Preservation:

Preliminary Annual Investment Requirements

Planning Period	<u>2012-18</u>	<u>2019-28</u>
Pavement Preservation	400 - 450	600 - 650
Bridge Preservation	120 - 135	190 - 205
Bridge Preservation- Budget Busters (structures only)	56	26
Other Infrastructure Preservation (signs, signals, drainage, etc)	35 - 55	45 - 75
Total	611 - 696	861 - 956
Projected SRC Revenues (pre H.F. 2800)	635 - 700	715 - 825

(Millions, Year of Construction \$)



Legislative Auditor: Investment Management

- Weaknesses to be addressed
 - Spending not aligned with “preservation first”
 - To meet its “preservation first” commitment, virtually all trunk highway construction funds will need to be directed to preservation projects
 - Process
 - Poor scoping and cost estimating
 - Committing to more projects than can be realistically delivered



HF 2800 TH Construction Funding

\$1.7 B TH Bonds

\$.05 Gas Tax Increase; \$.035 Gas Tax surcharge; TAB Fee Increases

FY 09 \$417M Bonds

\$300M - Bridges (Tier program- Fracture Critical, Structurally Deficient Bridges- rehab or replace all by 2018)

\$40M - Interchanges (50/50 Metro/GrMN)

\$77M - other (up to \$71 M program delivery)

FY 10 \$500M Bonds

\$300M - Bridges (Tier program)

\$200M - Other (up to \$85 M program delivery)

FY 11-18 \$100M/yr Bonds - unrestricted (up to \$17 M program delivery)



Setting the Context

We are not alone





Other States Facing Same Trends, Issues, Challenges

Ohio “construction costs up 41% over 4 years, revenues flat...In these difficult financial times, we must be good stewards of the public trust and adjust the department’s financial outlook to match realistic trends in revenue and construction costs”

Colorado “need to make tough choices; stretch every dollar...”

Alaska “funding streams aren’t flowing like they once did and a dollar can’t buy what it used to...time for some creative planning and well-considered changes...”

Alabama “challenge is how to ...balance ever changing needs in an environment of perpetually scarce funding...”

Washington“ core principle of the investment guidelines is that the existing system cannot be allowed to deteriorate...”

Missouri “*While the public has filet mignon expectations, MoDOT has Filet-O-Fish funding...*”



What is the Vision for Transportation in Minnesota?

- Option 1 – Maintain the Vision and Investment priorities of the 2003 Statewide Transportation Plan
- Option 2- Expand the Vision
- Option 3- Strategically Realign the Vision



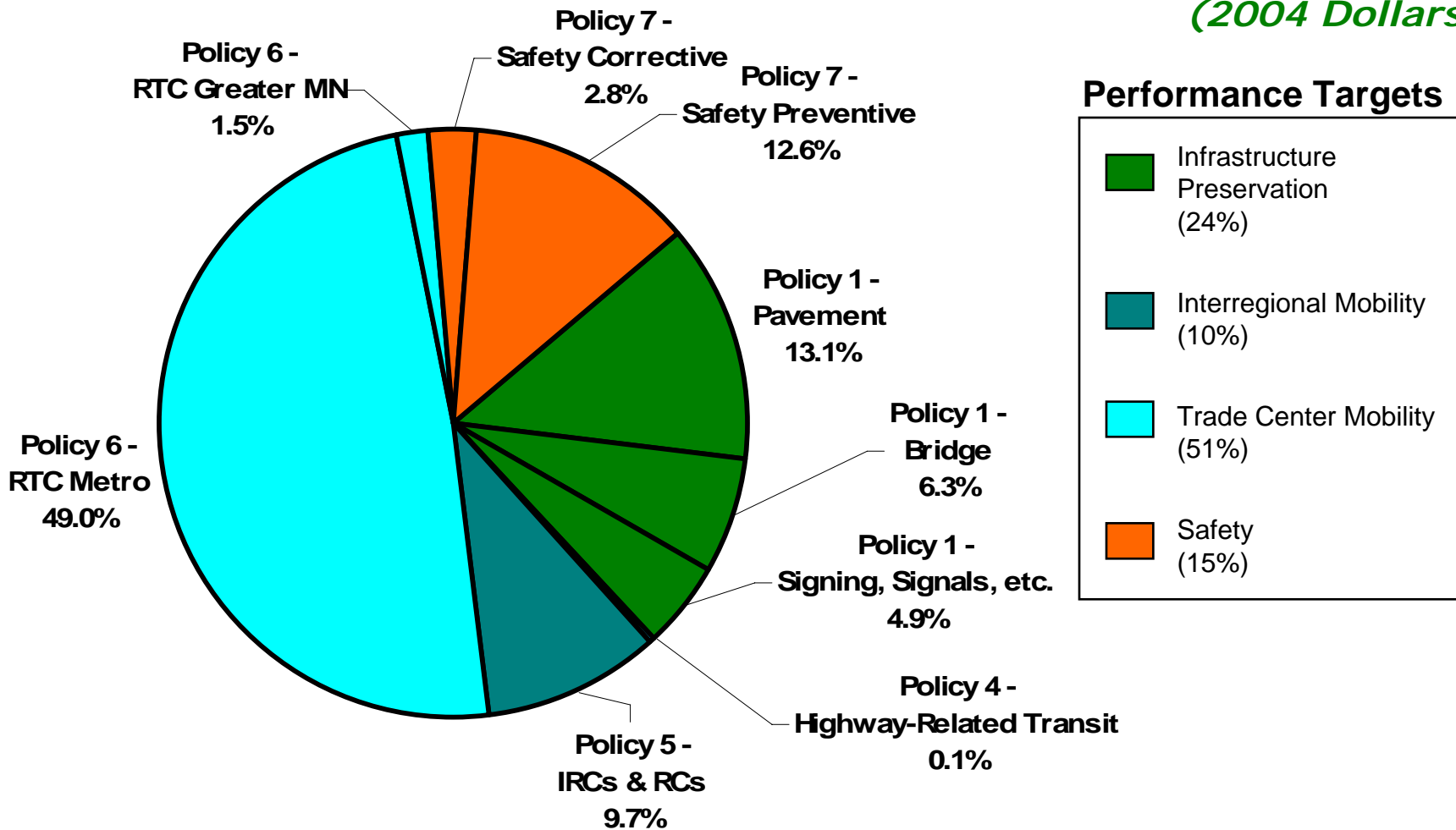
Option 1: Maintain the Vision, Investment Priorities

- 2003 Plan
 - Established system performance targets
 - Preservation targets based on lowest life cycle costs
 - Safety targets based on goal “Toward Zero Deaths”
 - Mobility targets based on customer expectations
 - Not based on what we could afford
 - Emphasis on Highway System (Mn/DOT could directly affect)
- 2004 District Plans – 2 scenarios
 - “Vision” – Investments to meet key performance targets (no funding constraint)
 - Investment Plan- Priorities for available funding (fiscally constrained)
 - Preservation (pavements & bridges); IRC mobility; Congestion Relief; Safety

Investments to Meet Performance Targets



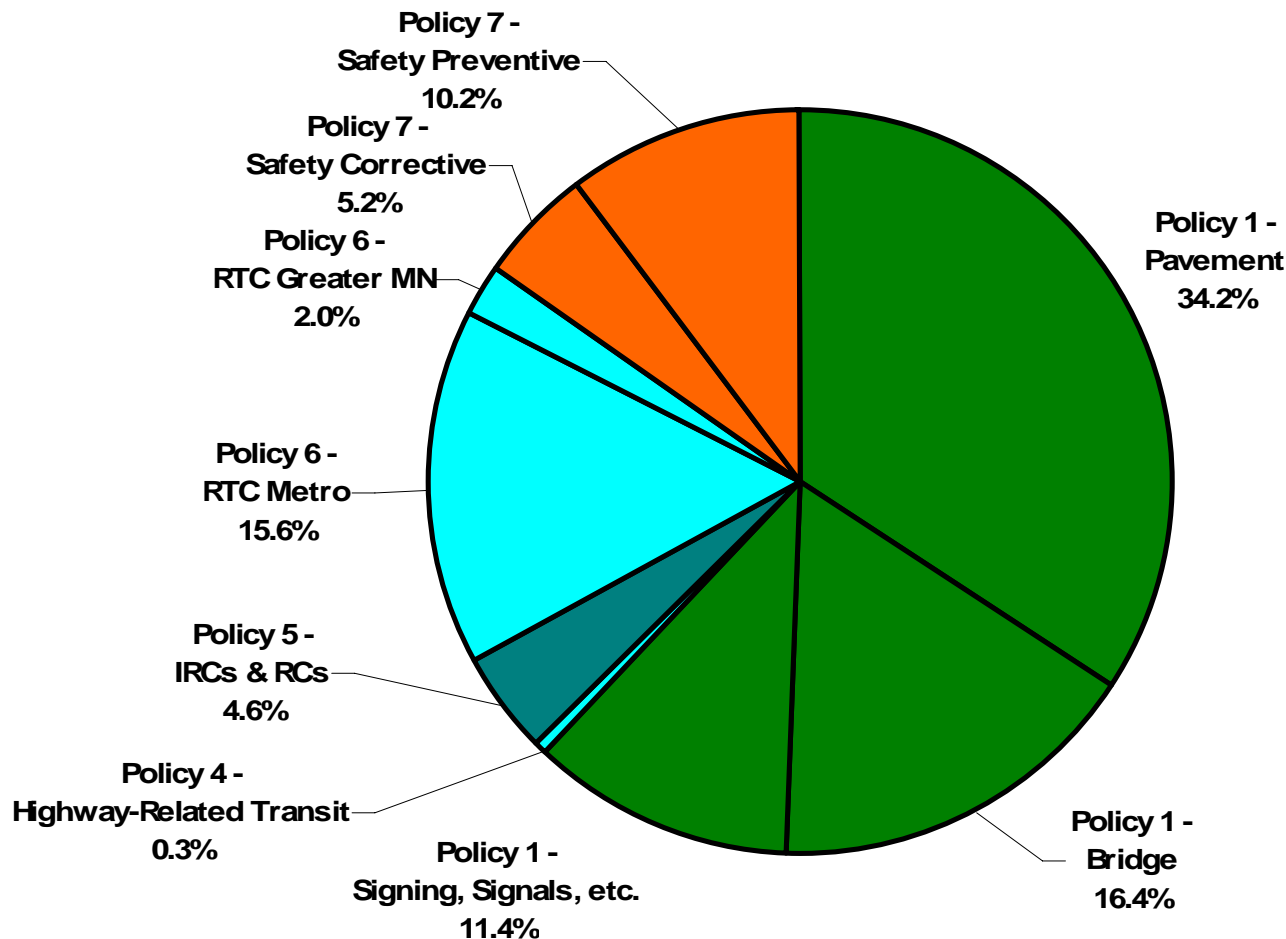
2008 to 2030 - \$37.2 billion
(2004 Dollars)



Forecasted Available Funding Priorities



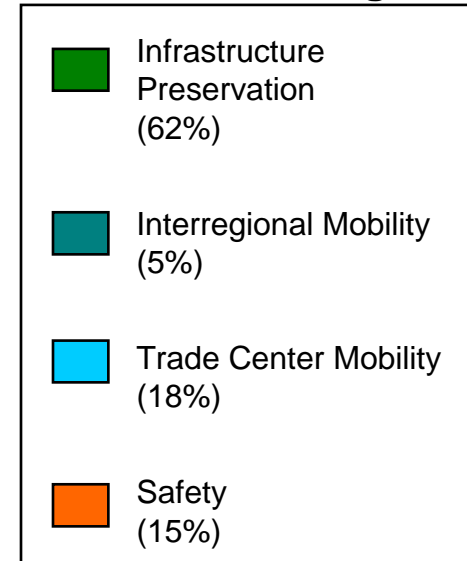
2008 to 2030 - \$14.6 billion
(2004 Dollars)



Community Improvement Project Priorities

\$513 million

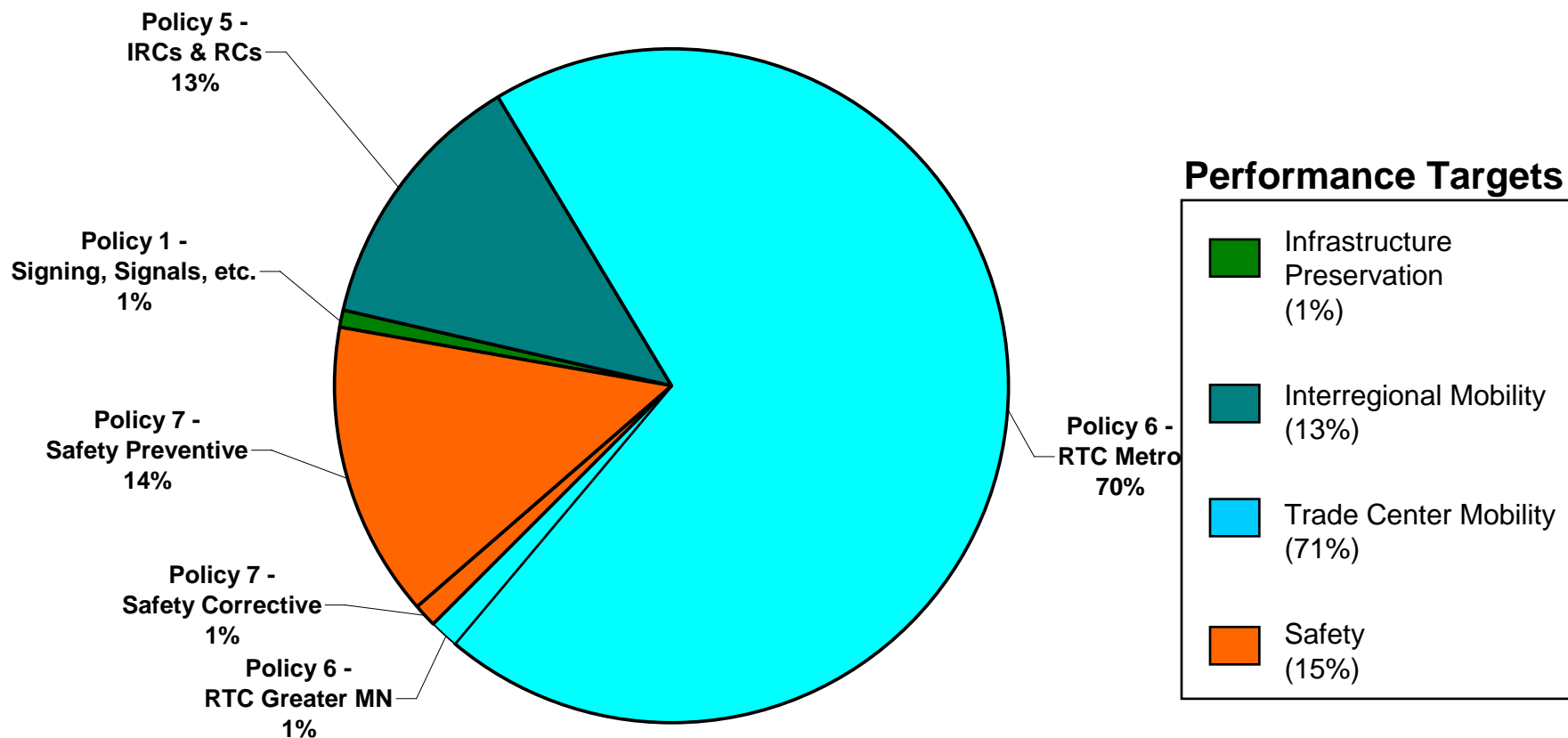
Performance Targets



Additional investment needed to meet targets



2008-2030 - \$22.6 billion
(2004 Dollars)





Option 2: Expand the Vision

- Address all Stakeholder identified multi-modal “needs”
- Highways- some examples
 - Upgrade IRC’s to freeways, 4 lane expressways
 - Significantly expand Metro Freeways, Principal Arterials to handle future SOV traffic
 - Expand the 10 ton road system (primarily local roads)
 - Add capacity, access to support local development
 - Add capacity, revise geometrics for trucks
- Transit
 - Significantly expand Metro and GR MN Transit with commuter rail, LRT, increased service hours, etc.
- Freight
 - Develop plans for state support of upgraded ports, railroads, and intermodal facilities



Option 3: Strategically Realign the Vision

□ Principles

- Focus on multi-modal investments to preserve, maximize use of existing system
- Stretch every available \$ to maximize, accelerate, distribute benefits to people and freight throughout state and metro areas

□ Investment Priorities and Strategies

- Infrastructure preservation (bridges, pavement, storm sewers, signs, etc)
- Efficient, effective operations (snow & ice, signal re-timing, ITS, etc)
- Low cost, system wide “tuning” improvements for safety (cable barriers, rumble strips, pavement markings, etc)
- Low cost, system wide capacity optimization improvements for mobility (lane adds, shoulder conversions, etc)
- Selective multi-modal capacity expansions in all modes where cost effective (LRT/Express Bus, HOT lanes, Short line rail upgrades, etc)
- Partnership investments to support access for local community development (interchanges, access management, intersection improvements)



Next Steps

- Share trends and outlooks with key stakeholders
- Steering Committee reviewing trends, issues, options in each policy area
- Factor in any forthcoming direction from Administration, Legislature
- Move towards draft statewide plan, district-level highway investment plans, and draft of Greater MN transit plan by end of 2008



THANKS TO:

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