Minnesota GO
Achieving the Vision

Commissioner Charlie Zelle
Regional Council of Mayors Meeting
August 12, 2013
Transportation Supports a World-Class State

- Supports the Health of the People, Environment and the Economy
- Helps Minnesota businesses access labor, move products, and prosper in our state
- Helps the state compete for jobs, talent and contributes to economic growth
Minnesota GO Vision
Transportation Vision for the State

Guiding Principles –

• Leverage public investments to achieve multiple purposes
• Ensure accessibility
• Build to a maintainable scale
• Ensure regional connections
• Integrate safety
• Emphasize reliable and predictable options
• Strategically fix the system
• Use partnerships
MN is changing, growing and thriving…

- Last month MN was named one of five fastest growing economies in the U.S.
- In the Twin Cities Metro area alone, population is estimated to increase by 900,000 [by 2040]
- By 2030, our aging population will double
- Trucks and rail (freight movement) is estimated to carry 30% more in goods
What are the Fiscal Trends Facing MnDOT?

• MnDOT forecasts it will have $18 billion of capital revenue over 20-years

• Inflationary pressure will reduce the capital buying power of that funding to less than half by 2033
Inflation Impact on Future Buying Power
What is MnSHIP?

- MnSHIP stands for the Minnesota State Highway Investment Plan.
- MnSHIP is a fiscally constrained 20-year capital investment plan which guides MnDOT’s capital investment decisions for the state highway system.
- MnSHIP is required by federal and state law to be fiscally constrained.
- MnSHIP publically conveys MnDOT’s capital investment priorities for the next twenty years.
What are MnDOT’s 20-Year Future Capital Needs?

<table>
<thead>
<tr>
<th>Investment Area</th>
<th>Estimated Need</th>
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<tbody>
<tr>
<td>Asset Management</td>
<td>$17.6 billion</td>
</tr>
<tr>
<td>Traveler Safety</td>
<td>$1.3 billion</td>
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<tr>
<td>Critical Connections</td>
<td>$5.7 billion</td>
</tr>
<tr>
<td>Regional and Community Improvement Priorities</td>
<td>$1.7 billion</td>
</tr>
<tr>
<td>Project Support</td>
<td>$2.9 billion</td>
</tr>
<tr>
<td>Total Need</td>
<td>$30 billion</td>
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</tbody>
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- MnDOT estimates a total capital need of $30 billion for the state highway system alone.
- Critical Connection needs assume continuation of the Metro managed lane approach.
- Regional and Community Improvement Priorities are likely higher than $1.7 billion.
# The Gap

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected 20-year need for State Highways and Bridges</td>
<td>$30 billion</td>
</tr>
<tr>
<td>Forecasted Available Funding</td>
<td>$18 billion</td>
</tr>
<tr>
<td>Funding Gap</td>
<td>$12 billion</td>
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</tbody>
</table>
MnSHIP is not the vision
Transportation Vision for MN

- Connects regional centers through multiple modes of transportation
- Improves safety for all forms of transportation
- Sustains and strategically upgrades network of roads and bridges
  - (80% of the state’s assets roads and bridges)
- Integrates reliable and predictable options to move people and goods
- Contributes to overall quality of life and the prosperity of the state
- Supports multiple public purposes including economic competitiveness, public health, and environmental stewardship
- Endures through sustainable funding means
Current Actions

• MnDOT is:
  – Embarking on a rigorous, state-wide education and outreach campaign
  – Developing options for evaluating return on investment
  – Implementing Corridors of Commerce
Corridors of Commerce

• A program for state highway construction, reconstruction, and improvement, including maintenance operations, that improves commerce in the state.

• Stakeholder outreach in September to identify eligible projects
Corridors of Commerce

- Program focuses on expansion and completion projects
- New program, established 2013
- Allocated $300 M to the program in 2014
- $300 M is only a “down payment” on the larger vision
- $51 M of program available for program delivery
Eligible projects for Corridors of Commerce

- Greater Minnesota
  - Must be located on an Interregional Corridor

- Twin Cities Metro
  - Project selected through separate criteria (projects being considered are completion of Hwy 610, expansion of MnPASS system, new interchanges – connectivity and mobility)

- Potential for multiple categories of projects
  - each with its own criteria
Selection Criteria

- Project cannot be in the STIP, can be long range

- Objective criteria to determine projects

- Include return on investment analysis

- Measurable impact on commerce and economic competitiveness

- Include measures:
  - freight efficiency, traffic safety, regional trade center connections

- Support of the surrounding community

- Must be long term investments
City and County Involvement

- Commissioner shall annually accept recommendations from ATPs and Stakeholders
  - There will not be formal application process
- Local cost share based on a Cost Participation Policy
- Projects need support and consensus of surrounding community
- Turnback costs not eligible use of funds
Current Timelines

• Framework for program reviewed/adopted at August 29th MnDOT TPIC Meeting

• September – Communications and dialog with local partners

• Initial Project Selection – Winter 2013/14
  – Will include:
    • Budget
    • Delivery method
    • Timing
Moving Forward

• Public awareness

• Align citizens, businesses, stakeholders, advocacy groups

• 2014

• We seek your input and support to help make this vision a reality

• We all have a stake in A to B
Questions?