

Metropolitan **Planning** Council

Accelerate Illinois

Addressing transportation woes of residents and businesses

Event sponsor



Mar. 20, 2015
@metroplanners

Manager

Metropolitan Planning Council

YONAH FREEMARK

@yfreemark

Real problems and real costs

“Potholes! You cannot avoid them.”

—Andrea B., Peoria

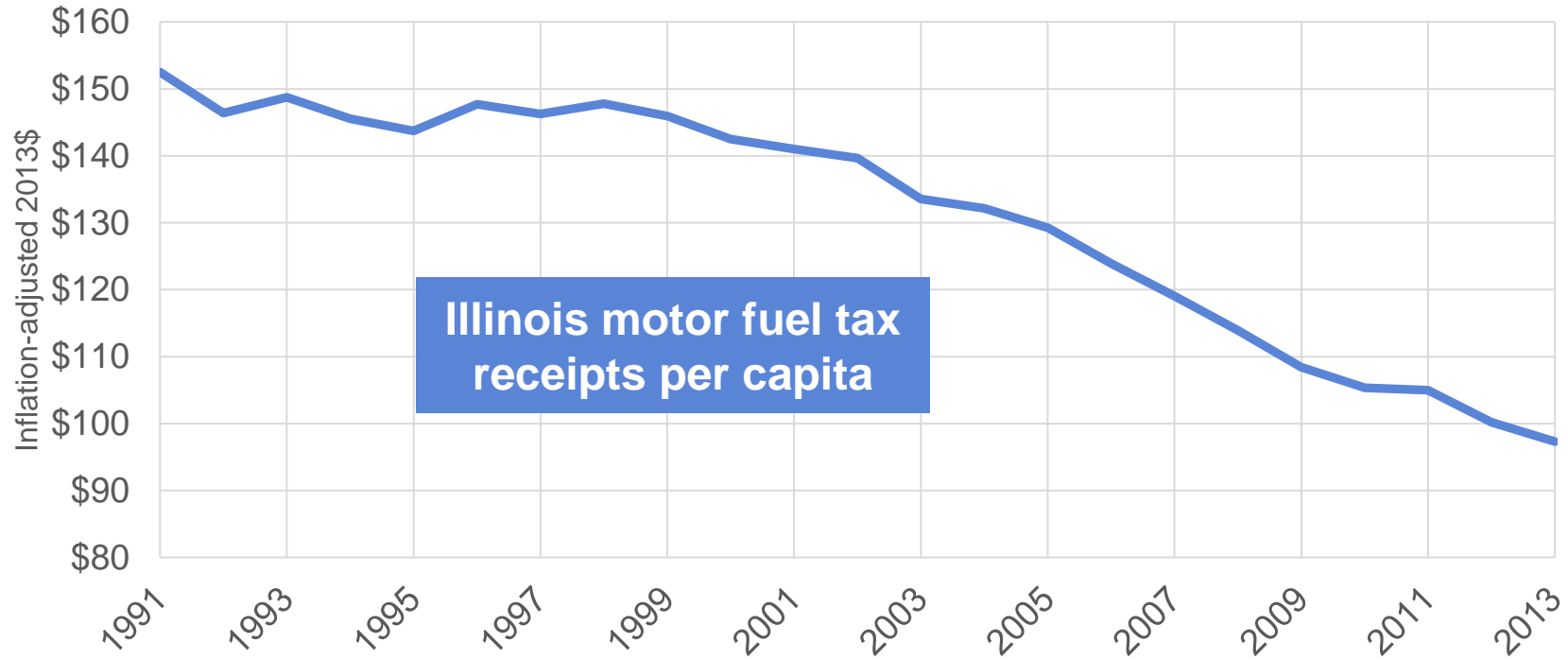
In Peoria, Andrea B. drives to work on pothole-marked University Street—one of the busiest streets in the city. There's no viable alternative to the daily experience of traveling on a street that has been filled with potholes for years.

! Illinois drivers spend an **extra \$3.7 billion a year on repair bills** for damage from poor road conditions.

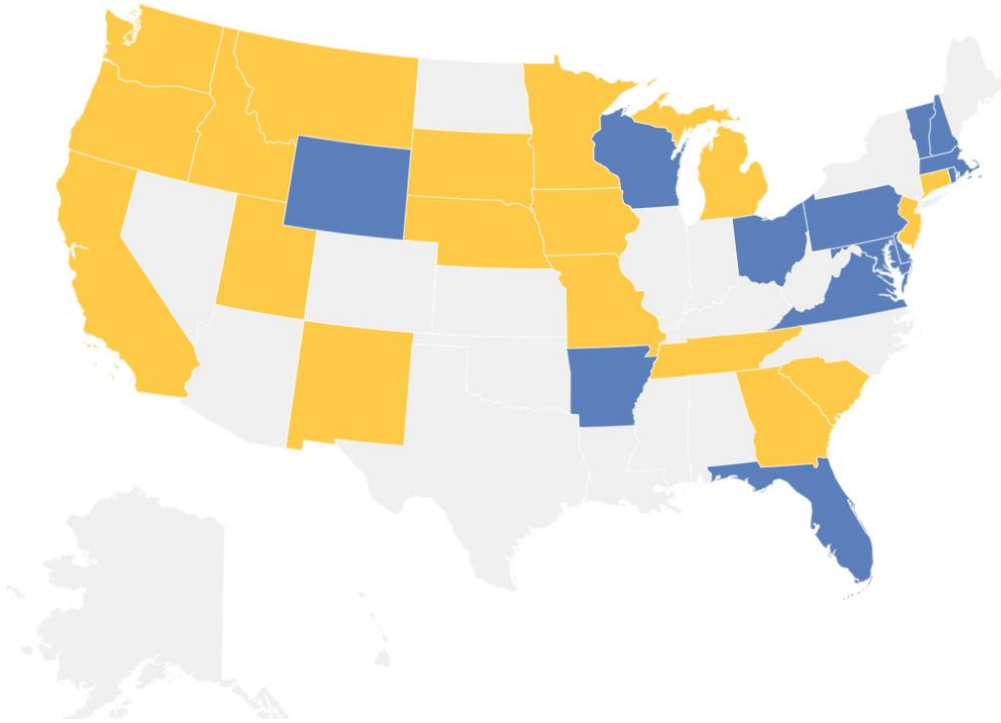
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Transportation revenues are declining



Other states are filling their gap



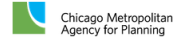
13 states

have taken action to invest more in transportation since 2012.

18 more states

are considering action in 2015.

Join our campaign for change



State Transportation Director
Michigan Dept. of Transportation

KIRK STEUDLE
@transpoman

Michigan Transportation Revenue: A Long & Bumpy Journey

Metropolitan Planning Council Roundtable

Kirk T. Steudle, P.E., Director
Michigan Department of Transportation

Michigan's Strategic Location



Michigan's TDL Advantage

- International Border Crossings
- Detroit is busiest commercial crossing in North America
- 35% of all US/Canada Trade goes through Michigan
- More than \$835B in freight moves on Michigan highways, rail lines, & ports each year



Michigan's Highway System

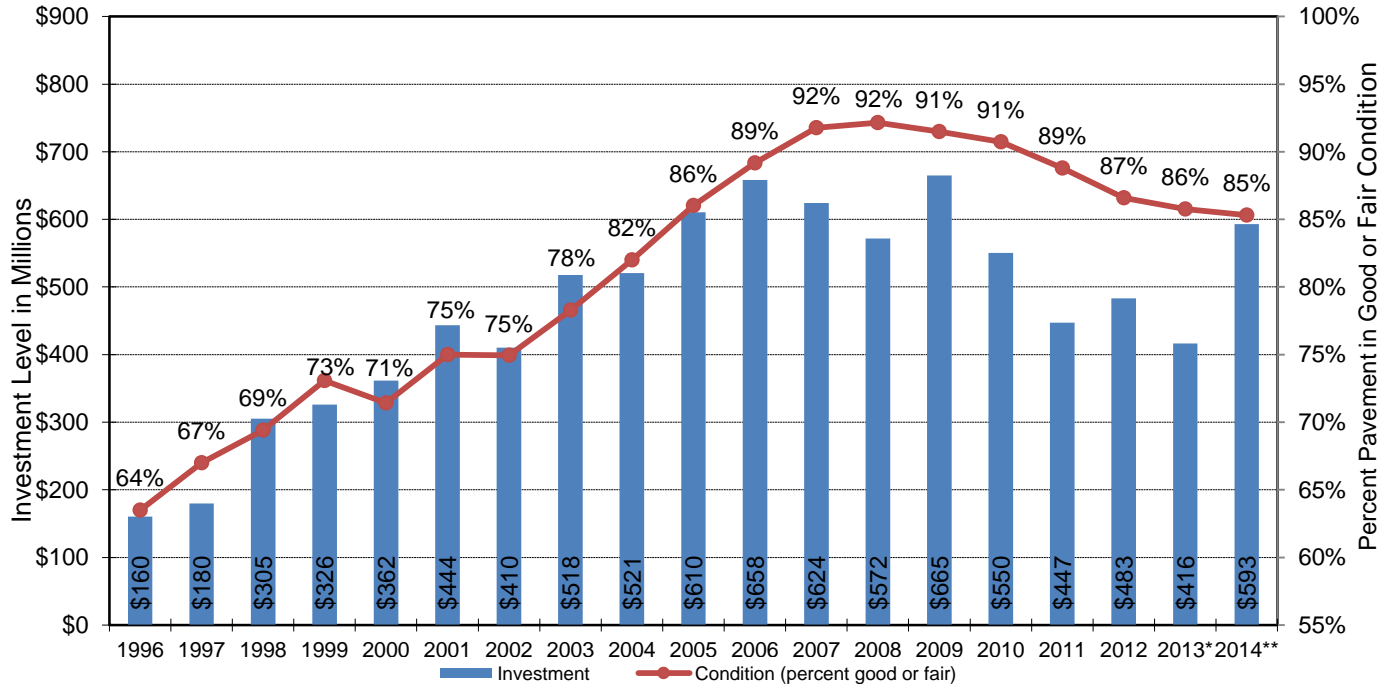
- Michigan has:
 - 10,000 miles on State highway system
 - 40,000 miles on Federal aid system
 - 120,000 miles total
 - 616 road agencies



MDOT's I, US and M routes carry 52% of all traffic and 64% of commercial traffic.

The Problem: State Highways

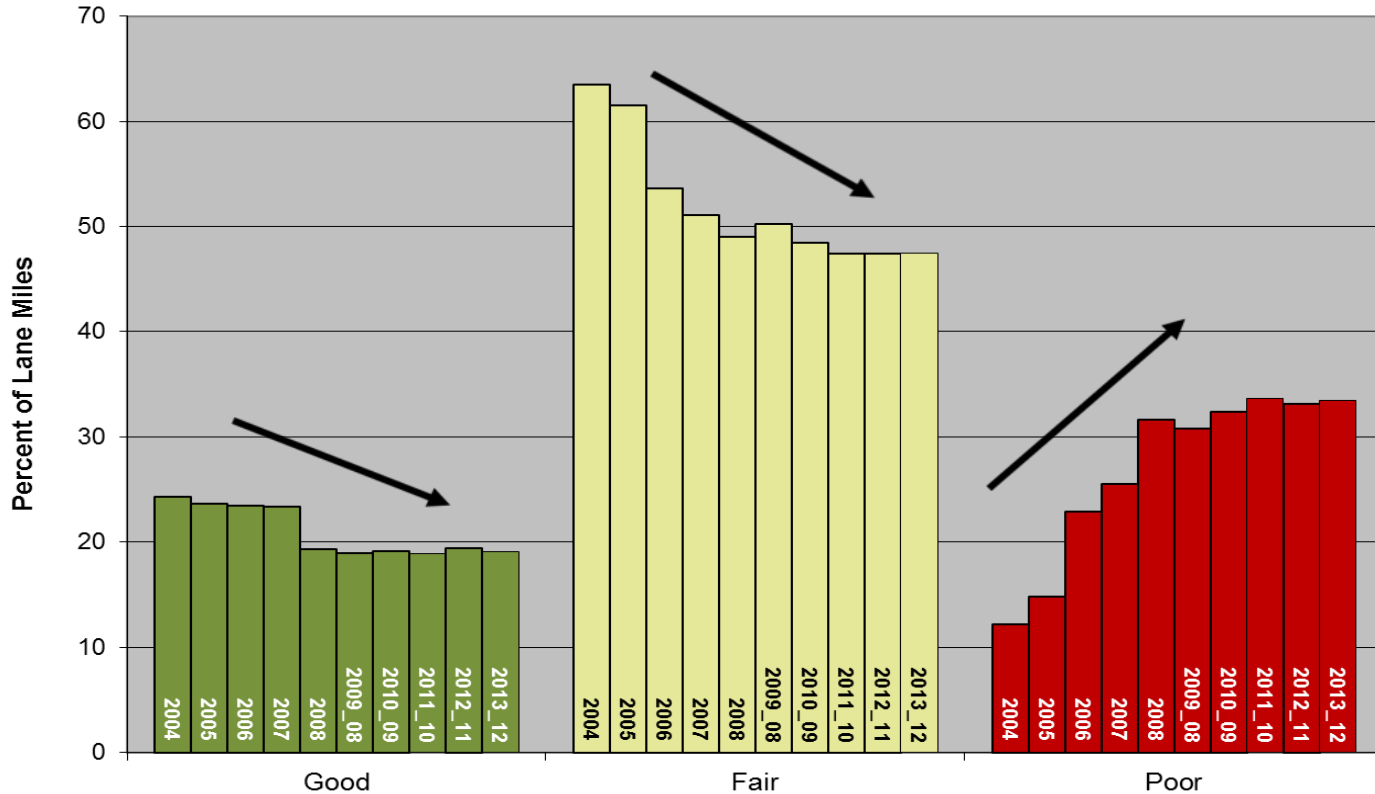
**Michigan Department of Transportation
Pavement Program Investment Level vs. Actual Trunkline Pavement Condition**



* Due to a change in reporting requirements, \$60 M in work on trunkline pavement was reported in FY2012 but not built until FY2013.

Michigan Federal Aid System Condition

2004-2013 Pavement Condition of Federal Aid Eligible Roads



Timeline

- 1990's-2000's – A decade of bonding
- 2008 – Transportation Funding Task Force (TF2) calls for funding increase, just as economy crashes
- 2009 – ARRA postpones the conversation
- 2011 – Governor Snyder's Infrastructure message
- 2012 – House Working Group affirms TF2's numbers
- 2013 – Governor's State of the State call to action
- 2014 – Governor's State of the State call to action
- 2014 – Bi-partisan transportation ballot proposal
- 2015 – Governor's call to vote on ballot proposal

Governor Snyder's 2011 Special Message on Infrastructure

- Modern, efficient transportation is critical
- Better roads drive better jobs
- Infrastructure is essential
- \$1.4 billion shortfall
- Bold changes are needed to our funding system
- Time to seriously engage in this issue



The Response

- “But can’t we just...
 - get more money from D.C.?”
 - convert to toll roads?”
 - get rid of heavy trucks?”
- “Can’t transportation agencies just be more efficient?”



Efficiencies

- Major reorganization and innovative cost-saving measures in 2011 save \$55M annually
- Additional innovative cost saving measures over past 4 years are saving another \$53M per year
 - Asset management
 - Energy efficiency
 - Construction warranties
 - Innovative contracts & finance
 - New technologies
 - Partnerships
- Plus \$200M in one-time savings by bond refinancing & project innovations



Performance & Accountability

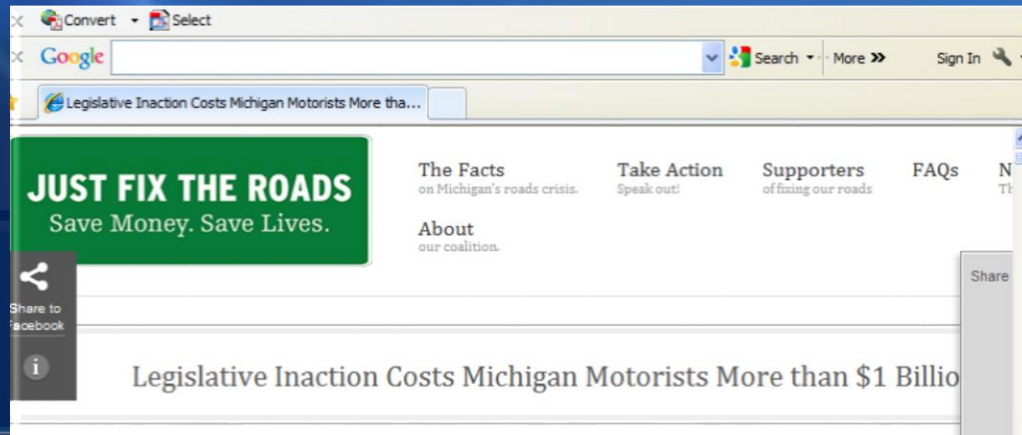
- Michigan Dashboard
- Infrastructure Dashboard
- MDOT's Scorecard
- MDOT System Measures
- Asset Management Council
- FHWA Stewardship Agreement
- Good Government in Action



<https://midashboard.michigan.gov/infrastructure>
www.michigan.gov/mdot

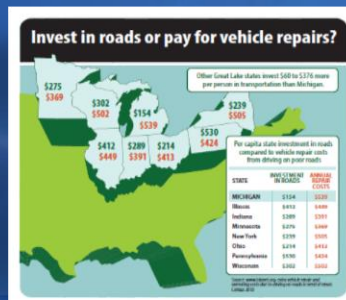
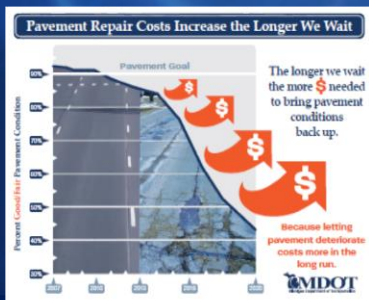
Strong Partnerships

- Active stakeholder coalition has been essential
 - Broad membership
 - Financial commitment
- Justfixtheroads.com



MDOT Communication Tools

- www.michigan.gov/roadfunding
- www.michigan.gov/realitycheck



TRANSPORTATION Reality Check

Myth #2: Road crews just throw some asphalt in potholes to fix them. They need to fix them right the first time so it lasts!

Reality: Pothole patches are just that – a patch. A true fix will require much more.

The Results

- Bi-partisan solution could yield \$1.2B/yr
 - Remove sales tax on fuel
 - Increase fuel taxes
 - Amend Constitution to increase sales tax
- Increasing sales tax offsets removal at pump, but requires a vote of the people
- Statewide ballot in May: Voters will decide the ultimate fate of road funding

Fuel Taxes & Registration Fees

- Remove 6% sales tax from fuel
- Same price-based 14.9% fuel tax rate for gasoline & diesel
 - Gasoline: 19¢ plus sales tax → 41 cents
 - Diesel: 15¢ plus sales tax → 46 cents
- New Diesel-equivalent tax on Compressed Natural Gas
- Increase registration fees for trucks over 26,000 lbs. up to \$1000, phased in over 3 years



Taxpayer Protection & Transparency

- Increase use of pavement warranties
- Increase competitive bidding by county road agencies
- Performance-driven maintenance contracting by 7 largest road agencies
- Early payment of STF debt service
 - Addresses past bonding in 1990s-2000s

Governor Snyder's 2015 State of the State Message

THE REINVENTION OF **MICHIGAN CONTINUES.** 2015 STATE OF THE STATE ADDRESS

GOVERNOR RICK SNYDER



2015 AND FORWARD: A CALL TO ACTION

FIX THE ROADS

- ▶ Our roads are crumbling, 1 in 9 bridges is structurally deficient, and our safety is at stake. We can't have a bandaid approach to patching up roads, and we can't push this problem off for future generations. I support the bipartisan plan to fix our roads and bridges, protect our schools, and provide tax relief for lower-income Michiganders.

Moderated by MarySue Barrett
President, Metropolitan Planning Council

PANEL

Moderated panel

Tom Kotarac

Deputy Executive Director

Chicago Metropolitan Agency for Planning

Leanne Redden

Executive Director

Regional Transportation Authority

Rebekah Scheinfeld

Commissioner

Chicago Dept. of Transportation

Kirk Steudle

State Transportation Director

Michigan Dept. of Transportation

Q&A

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