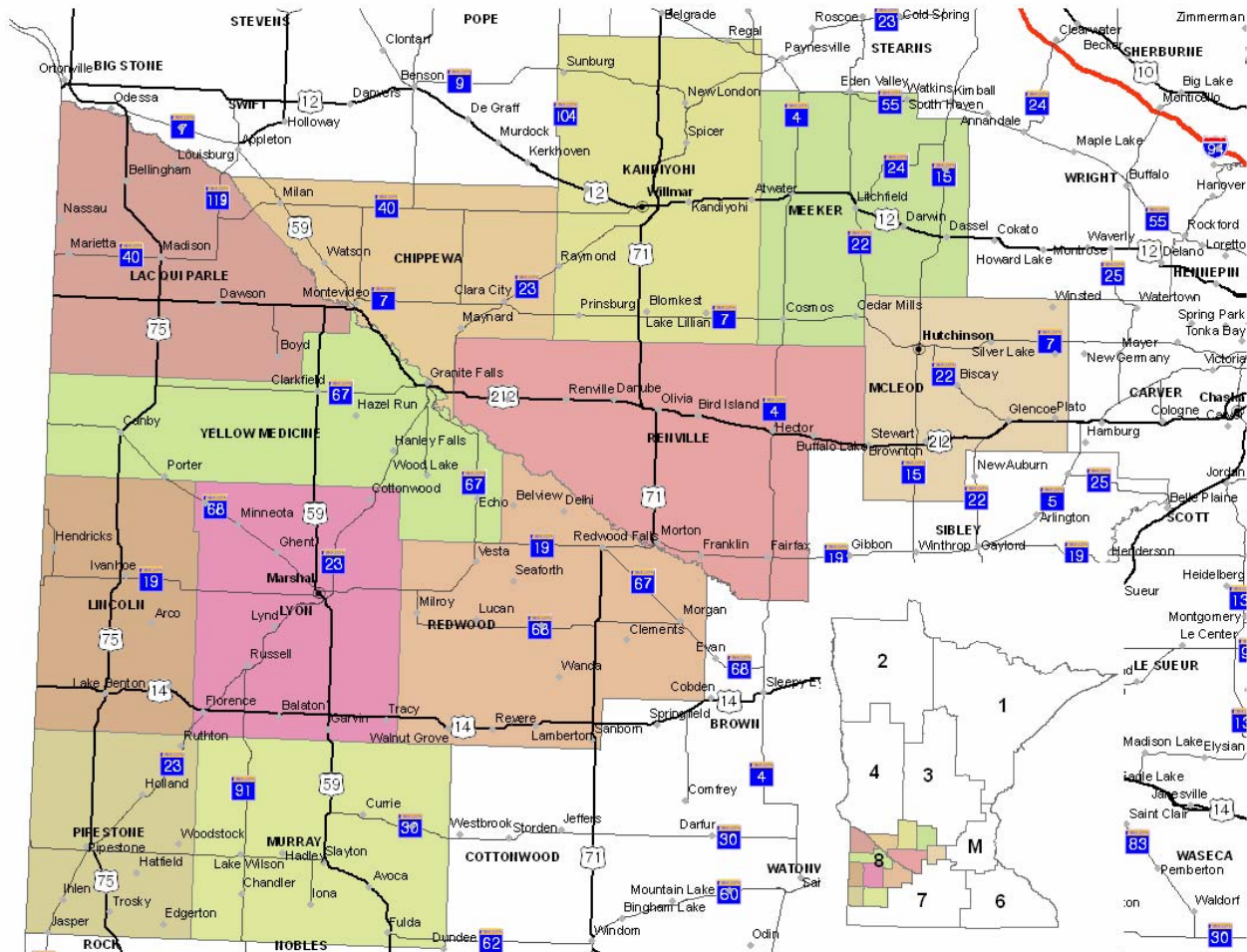


Mn/DOT District 8 20-year Highway Investment Plan 2009-2028



Introduction

As part of the 2009 Minnesota Statewide Transportation Policy Plan update, Mn/DOT District 2 updated its 20-year Highway Investment Plan. The Mn/DOT District 2 20-Year Investment Plan, last updated in 2004, provides the link between the policies and strategies established in the Statewide Transportation Policy Plan and the capital improvements that are made to the state highway system. This 20-year plan is a guide for future capital investments in the state trunk highway system for northeastern Minnesota. It does not address spending for highway operations or other modes of transportation. For reference, the Statewide 20-year Highway Investment Plan discusses in greater detail the relationship of the highway investment plans to the Statewide Transportation Policy Plan and the methodology and calculation of performance-based investment needs.

This document has three primary sections. The first sets the context, highlighting issues and trends in District 8 that influence its 20-year highway investment plan. The second details the five steps in the development of the plan: (1) identify investment needs, (2) project future revenue, (3) set investment goals, (4) develop investment plan, and (5) prioritize unfunded investment needs. The final section outlines expected system performance and anticipated outcomes resulting from planned investments over the 20-year planning period.

Setting the Context

District 8 is comprised of the 12 counties that fall along the southwest and west central portion of the State of Minnesota. The boundaries of District 8 stretch as far west as the South Dakota border and as far east as the western border of the Twin Cities metropolitan area. District 8 includes the counties of Chippewa, Cottonwood, Kandiyohi, Lac qui Parle, Lyon, McLeod, Meeker, Murray, Pipestone, Renville, Redwood, and Yellow Medicine. District 8 includes the regional shopping centers of Willmar, Marshall, and Hutchinson.

With such a large geographical region, District 8 has an extremely diverse set of characteristics as one traverses its length. District 8 varies from an extremely rural region that borders South Dakota all the way to the more urbanizing area of Kandiyohi, Meeker, and McLeod counties on the eastern portion of the District. South of State Highway 212 and west of State Highway 71, District 8 is dominated by an agricultural setting with the exception of the Minnesota River Valley. North of State Highway 212 and east of State Highway 71, District 8 changes dramatically and switches to a combination agricultural and more rural housing development setting near or around the large number of lakes in this portion of the District. This area's highlight includes the very high concentration of lakes in northern Kandiyohi County in and around the cities of Spicer and New London.

District 8 has developed some unique trends and issues over the years that significantly influence investment priorities by Mn/DOT. The following is a brief summary of those trends and issues that Mn/DOT has taken into consideration as it has developed an investment plan for this region of the state.

Four-Lane Access to Interstate

District 8 is unique among all the districts in the State of Minnesota in that it currently does not have either an Interstate or a continuous four-lane roadway that connects to an Interstate running through the District. As such, transportation access to national and international markets has been a concern of the businesses, agricultural producers, local governments, and state legislators for some time. This concern has grown significantly over the past few years as Minnesota has transitioned from a regional state into the more global economic picture. The concern for four-lane access has been expressed during all phases of the Statewide Transportation Policy Plan input sessions by District 8's transportation partners, local business and industry groups, and, finally, by our local officials.

Population and Economic Growth Disparity

District 8 has three counties (Kandiyohi, Meeker, and McLeod) that are a part of a crescent moon shape of population and economic growth that is occurring around the Twin Cities Metropolitan Area. Although the growth rate of the crescent moon area is not as fast or large as the Twin Cities, it does represent a very steady and reliable growth rate. In stark contrast, the remaining nine counties of the District are experiencing stagnant growth or, in some cases, even population decline. The disparity between the two areas is continuing to increase as the two trends show no signs of changing anytime soon. Although the amount of growth of the three counties in the growth area has been enough to offset the population declines of the other nine counties, when compared to the rest of the state, the District 8 region is growing at a much more reduced rate. As a result, District 8 has become the least populated of the Districts.

TH 23 Growth Corridor

District 8 does have one state highway corridor traversing it, which has become a focal point for growth in the District. State Highway 23 runs the entire length of District 8 and serves both the Willmar and Marshall regional shopping centers. This corridor has seen substantial new development and redevelopment along it in the past 10 years. As a part of Mn/DOT's Interregional Corridor (IRC) network, State Highway 23 has also been the focus of Mn/DOT investment over the past 10 years to try and meet the growing demands on the corridor.

Changing Economies

District 8 has historically seen agricultural production and its associated industries as the most dominant economic pattern for the region. While that remains true yet even today, there have been some substantial shifts in the economic picture of this area. Energy production through both ethanol plants and wind towers has become a significant factor in the economy of District 8. Even agriculture has seen some dramatic changes over the past few years. With a significant increase in the size of farms, agriculture is changing to look more and more like industrial style production. Large semi-trucks hauling grains, sugar beets, turkey, cattle, and milk are replacing the once common sight of smaller wagons and delivery trucks. These factors are placing stress on District 8's older rural highway network.

Regional and Community Priorities

Throughout the development of the long-range plan, there has been much interest by the local entities in District 8 in the priorities for investment by Mn/DOT. Residents, businesses, governments, and legislators all have publicly shared their concern that Mn/DOT should not only emphasize traffic volumes or numbers when making investment decisions, but should also focus on safety and quality of life factors as well. As a result, regional and community investment priorities also are an important factor in the investment process for District 8.

Traveler Safety

With a most of its roadways being older two-lane rural highways, District 8 has been seeing a steady crash trend and occasionally has experienced increasing numbers of crashes. This problem is being made more prevalent as other areas of the state are experiencing reductions in both crashes and associated crash rates. With Mn/DOT's objective to move Towards Zero Deaths, District 8 is committed to reversing this trend and help rural Minnesota improve driving safety.

Infrastructure Preservation

A recent change for District 8 has been the deterioration of pavement condition. Historically, District 8's roadways have been some of the smoothest riding in the state. However, increasing demands for capacity expansion and/or other safety improvements in the region and the ever increasing age of District 8's pavement system has changed that fact. District 8's pavement conditions are now slowly getting to be some of the more poor riding roadways in the State.

Development of the Highway Investment Plan

The District 8 20-year Highway Investment Plan 2009-2028 has been developed within the context of Mn/DOT's decentralized planning and programming process. This process begins with policies, strategies, performance measures, and performance targets set in Chapter 7 of the Statewide Transportation Policy Plan. Five of the ten policies list performance measures and targets that can be directly affected by capital investments in the highway system.

This plan identifies capital investment needs within the framework of four strategic investment priorities: Traveler Safety, Infrastructure Preservation, Mobility, and Regional and Community Improvements. The process culminates in highway system construction projects (Figure 1). Issues and trends discussed previously enter the planning process at all levels, influencing policy, plans, programs, and project design. Statewide guidelines have been established to ensure the District 8 plan has been created in a consistent, objective manner similar to the other seven Mn/DOT district plans.

The District 8 20-year Highway Investment Plan 2009-2028 covers three planning periods:

- **2009 to 2012 State Transportation Improvement Program (STIP):** Updated annually, planned spending in these four years includes specific projects identified in the current four-year STIP plus additional improvements that will be funded by Chapter 152 bonds in years 2011 and 2012 but have not yet been included in the STIP. Projects are generally considered commitments with well-developed scopes, cost estimates, and planned year of construction; however, if projected revenues are not realized, the timing of planned investments may change.
- **2013 to 2018 Mid-Range Highway Investment Plan (Mid-Range HIP):** Investments identified in these six years remain in the planning stage and represent a general spending plan but not a commitment. Major projects under development are given an estimated cost range and construction year but both are subject to change as project development proceeds. Much of the spending plan is comprised of funding allocations within the four strategic investment priority areas, such as roadway safety enhancements and pavement preservation. Specific projects for these funding allocations are generally not identified or fully scoped until the annual development of the STIP. The Mid-Range HIP is also updated annually
- **2019 to 2028 Long-Range Highway Investment Plan (Long-Range HIP):** Planned spending in this 10-year planning period represents a very rough, long-term outlook on revenues and investment priorities. The Long-Range HIP intends to provide a general comparison of projected revenues, given current trends and conditions, with long-term needs. Planned investments are associated with broad investment categories within the four strategic priorities. The final 10 years of the plan include only a very general outlook of investment estimates due to the high level of uncertainty associated with both revenue and costs in this period.



Figure 1 – Role of District 20-year Highway Investment Plan in Mn/DOT’s Planning and Implementation Process

The development of the District 8 20-year Highway Investment Plan occurred through a five step process (Figure 2):

1. *Identify investment needs* that address system performance or support regional and community improvements.
2. *Project revenues* for each of the three planning periods.
3. *Set investment goals* based on legislative direction, system performance, and stakeholder input as investment needs exceed projected revenue.
4. *Develop investment plan* for each of the three planning periods.
5. *Identify high priority investment options for potential additional funding* over the next ten years.

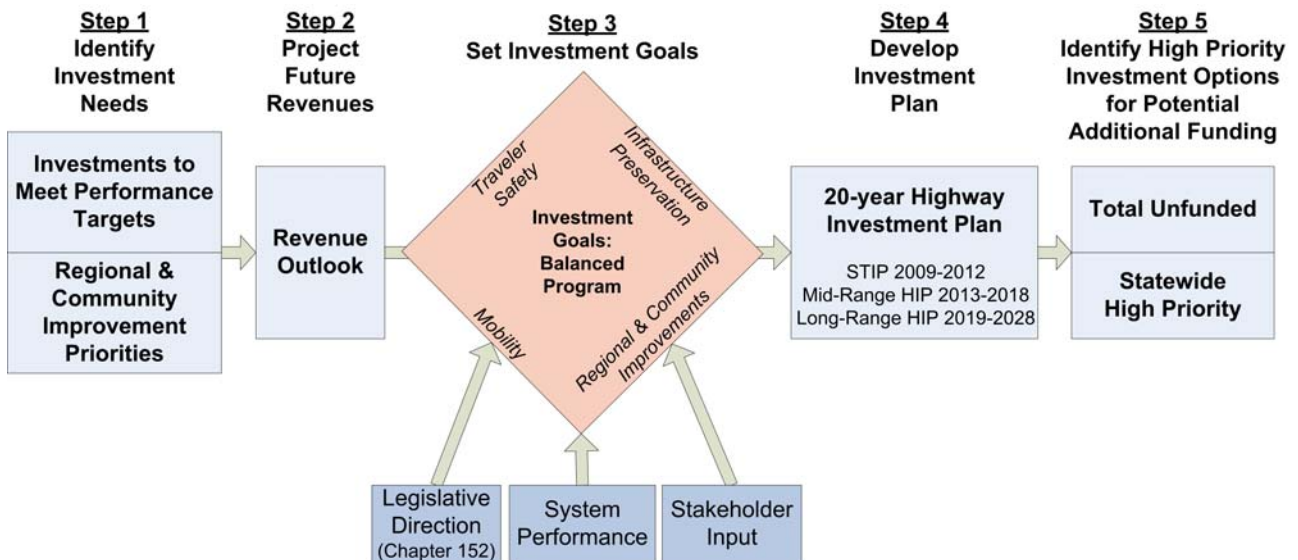


Figure 2 – Mn/DOT 20-year Highway Investment Plan Development Process

Step 1. Identify Investment Needs

District 8's investment needs for the four strategic priority areas fall into two categories: investments to meet performance targets and improvements to support Regional and Community Improvement Priorities (RCIPs).

Investments to Meet Performance Targets

For District 8, four of the ten policies discussed in Chapter 7 of the Statewide Transportation Policy Plan address system performance that can be directly affected by capital investment in the highway system. These policies are Policy 1: Traveler Safety, Policy 2: Infrastructure Preservation, Policy 5: Statewide Connections, and Policy 7: Greater Minnesota Metropolitan and Regional Mobility. The Statewide 20-year Highway Investment Plan sets investment direction, performance measures, and performance targets as well as details methodology for determining investment needs.

In migrating from policies to investment needs a broad range of improvements were identified. While any specific improvement would likely address issues and trends associated within several policies, the improvements were categorized into specific policies for the purpose of defining needs. Table 1 identifies investment needs to meet these performance targets by 2018 and maintain them thereafter. An investment need identified in the planning period '2009-2018' or '2019-2028' signifies a need to meet performance targets within that period.

Policy 1: Traveler Safety

Policy 1 guides investments that reduce the number of traffic-related deaths and serious injuries and has two broad categories:

- *Roadway Enhancements* are proactive, lower-cost strategies applied system-wide to highways generally in conjunction with other types of highway projects.
- *Capacity Improvements* are higher-cost strategies most often initiated as stand alone projects.

Performance-based Investment Needs

Roadway Enhancements associated with Traveler Safety represent lower-cost, high-benefit systematic strategies to reduce fatal and serious injury crashes. These strategies were developed as part of the Minnesota Strategic Highway Safety Plan (SHSP) and represent safety improvements that can be included in preservation projects or constructed as stand alone projects. Within this plan, the investment needs are quantified using the forecasted traffic volumes in 2018 and 2028 for the following strategies:

- Edge Treatments
- Centerline Rumble Strips
- Rural Intersection Enhancements
- Right-turn Lanes/Bypass Lanes
- Left-turn Lanes
- Passing Lanes
- Full Standard Shoulders
- Geometric Intersection Changes/Access Management

- Intersection Control Revisions
- Cable Median Barrier

Capacity Improvements associated with Traveler Safety represent strategies to reduce fatal and serious injury crashes through proactive and systematic capacity-related investments. Within this plan, these investment needs are quantified for highway corridors and intersections where forecasted traffic volumes are high enough to warrant consideration for improvements beyond the strategies shown under Traveler Safety – Roadway Enhancements. Capacity Improvements are considered based on the criteria below:

- Rural corridors warranted consideration when the average annual daily traffic (AADT) exceeds 11,200 in 2018 or 2028; and
- Intersections warranted consideration when the mainline AADT exceeds 35,000 and the cross street AADT exceeds 10,000 in 2018 or 2028.

If a corridor or intersection meets the above criteria, an average cost is assigned based on a broad range of potential strategies and improvements. The specific improvement and cost will not be clearly defined until the project has gone through the scoping process to identify the appropriate and context sensitive solution and it is programmed in a future STIP. Potential strategies and improvements may include, but are not limited to, the following:

- For corridors: adding right, left, or center turn lanes, improving sight distances, adding passing lanes, constructing a median, or adding lanes; and
- For intersections: changing intersection geometrics or control, constructing grade separation, or constructing an interchange.

Based on the criteria above, the following corridors and intersections warrant consideration under Traveler Safety – Capacity Improvements (corridor length):

2009 to 2018 (Total Needs \$7 M)

TH 12 Dassel to Meeker-Wright County Line (2.0 miles) *

2019 to 2028 (Total Needs \$6 M)

TH 7 CSAH 1 to Carver-McLeod County Line (2.0 miles) *

* *The segment extends into an adjacent district.*

Policy 2: Infrastructure Preservation

Policy 2 guides investments that ensure the structural integrity of the highway transportation system.

Performance-based Investment Needs

The investment needs for Infrastructure Preservation were developed in four categories:

- *Chapter 152 Bridge* includes rehabilitation and replacement of 120 structurally deficient and fracture critical bridges statewide as outlined in Minnesota Laws 2008, Chapter 152. Structurally deficient bridges meet a specific condition rating for the bridge deck, superstructure, and substructure or culvert. Fracture

critical bridges are those with a steel superstructure whose members are arranged in a manner in which if one fails, the bridge would collapse. Note, the classification of structurally deficient or fracture critical does not imply the bridge is inherently unsafe. Each of the 120 bridges was reviewed and a cost estimate for either rehabilitation or replacement was developed.

- *Other Bridge* includes rehabilitation and replacement of bridges not included in Minnesota Laws 2008, Chapter 152. Investment needs include bridge and large culvert replacement, redecking, deck overlay, and preventative maintenance activities (e.g., painting).
- *Pavement* reflects a model that optimizes cost-effective improvements for the entire highway system. Investment needs include crack sealing, pavement mill and overlay, and full reconstruction.
- *Other Infrastructure* includes cost-effective replacement of signs, lighting, traffic signals, intelligent transportation systems, safety rest areas, and drainage infrastructure. Investment needs for signs, lighting, and traffic signals are based on the life-cycle replacements. Investment needs for intelligent transportation systems, safety rest areas, and drainage are based on a review of existing conditions and replacement costs.

Policy 5: Statewide Connections

Policy 5 addresses investments that enhance mobility on key highways, *Interregional Corridors* (IRCs), linking Greater Minnesota regional trade centers that are performing below travel speed targets.

Performance-based Investment Needs

District 8 has no investment needs under this policy.

Policy 7: Greater Minnesota Metropolitan and Regional Mobility

Policy 7 guides investments for preserving mobility within *Greater Minnesota Trade Centers* that are linked to Interregional Corridors.

Performance-based Investment Needs

The investment needs for Greater Minnesota Metropolitan and Regional Mobility address high-volume highway corridors in *Greater Minnesota Trade Centers*. These investment needs are quantified for urban highway corridors where the future Level of Service falls below D by 2018 or 2028. Within this plan, the threshold for Level of Service D/E corresponds to the following criteria:

- An existing 2-lane arterial with a forecasted AADT > 15,000;
- An existing 4-lane arterial with a forecasted AADT > 30,000; or
- An existing 4-lane freeway with a forecasted AADT > 75,000.

If a corridor meets the above criteria, an average cost is assigned based on a broad range of potential strategies and improvements. The specific improvement and cost will not be clearly defined until the project has gone through the scoping process to identify the appropriate and context sensitive solution and it is programmed in a future STIP. Potential strategies and improvements may include, but are not limited to signal retiming, intersection modification, lane extensions, access management, interchange conversion or expansion.

Based on the criteria above, the following corridors warrant consideration under Greater Minnesota Metropolitan and Regional Mobility (corridor length):

2009 to 2018 (Total Needs \$3 M)

TH 12 in Willmar (0.5 miles)

TH 15 in Hutchinson (2.5 miles)

Investments to Meet Performance Targets Summary

The District’s investments to meet performance targets over the 20-year period are estimated at approximately \$1.4 billion (Table 1). Preservation needs comprise the largest proportion, about \$1.2 billion or 85 percent of the total need. Safety represents \$198 million or 14 percent of the need and mobility for District 8 is at \$6.0 million or less than one percent of the need.

Table 1 – District 8 Total Investments to Meet Performance Targets for 2009-2028 (\$ in millions, year of construction)

STRATEGIC INVESTMENT PRIORITY	PLANNING PERIOD					
	2009 to 2018		2019 to 2028		2009 to 2028	
	Need (\$)	% of Need	Need (\$)	% of Need	TOTAL (\$)	% of Total
Traveler Safety	92	15%	106	14%	198	14%
Roadway Enhancements	85		100		184	
Capacity Improvements	7		6		14	
Infrastructure Preservation	515	84%	656	86%	1,171	85%
Chapter 152 Bridge Program	19		-		19	
Other Bridge	9		34		44	
Pavement	471		588		1,059	
Other Infrastructure	16		34		49	
Mobility	3	1%	3	0%	6	0%
Interregional Corridors	-		-		-	
Greater MN Trade Centers	3		3		6	
Total Investment	\$610 M		\$765 M		\$1,370 M	

Regional and Community Improvement Priorities Summary

Regional and Community Improvement Priorities (RCIPs) represent system improvements identified by the District and regional or local communities and business groups as desirable and supportive of business or community development. The District compiled a list that reflects their understanding of regional and community priorities heard from stakeholders over the last five to ten years.

District 8’s approach for identifying and describing RCIP projects involved looking at previously identified issues or concerns that were raised as either part of joint study effort or have a history of being an issue for District 8. In addition, District 8 took into consideration key social, demographic, public demand, project viability, expected cost, cost versus benefit, and overall impact and/or benefit to the entire District 8 region as it considered listing these project. From this process, District 8 identified the following projects (\$160 million in 2009 dollars) for inclusion as RCIPs for District 8.

- Road reconstruction and Bypasses (\$14 million)
 - TH 19 – Construct a roundabout at Country Club Drive (Schwan’s) in Marshall
 - TH 22 – Construct a bypass around the City of Glencoe
- Interchange improvements (\$77 million)
 - TH 23 – Construct an interchange and relocate Kandiyohi CSAH 90 to a new alignment north of the City of Willmar
 - TH 23 – Construct an interchange at the intersection of Kandiyohi CSAH 25 north of Willmar
 - TH 23 – Construct an interchange at the intersection of State Highway 9 adjacent to the City of New London
 - TH 23 – Construct an interchange at the junction of Lyon CSAH 7 south of the City of Marshall
 - TH 22 – Construct an interchange at Morningside Drive in Glencoe
- Two- to Four-Lane Expansion (\$69 million)
 - TH 23 – Complete the gap in 4-lane roadway between New London and the City of Paynesville
 - TH 23 – Construct a 4-lane roadway from CSAH 33 in the City of Marshall to the north limits of the City of Cottonwood

This list is not in a prioritized order and any priority process would first involve strong involvement of Mn/DOT’s transportation partners, key community and economic interest groups, local governments, businesses, and the general public.

Step 2: Project Future Revenue

Future revenues were projected assuming no new sources of revenue or rate increases in existing state or federal revenue sources. Revenue forecasts were prepared in winter 2007 and are intended for long-range planning purposes. The bond funding authorized by Minnesota Laws 2008, Chapter 152 has been included in the forecasts. Statewide revenues were allocated to the Districts according to Mn/DOT’s adopted target formula and bonds were allocated to bridges and other projects as outlined in Chapter 152.

Given the volatility in both construction costs and state and federal revenue sources, the revenue forecast represents a snapshot in time and is to be updated annually for purposes of the 4-year STIP. Chapter 5 of the Statewide Transportation Policy Plan provides a more complete description of revenue and cost trends and projections. District 8’s projected revenue totals approximately \$800 million over the 20-year planning period.

Step 3: Set Investment Goals

Statewide Goals: A Balanced Program

Need for Investment Goals

For District 8, as well as for the state as a whole, the investment needs identified in Step 1 greatly exceed the projected future revenues identified in Step 2. Since all of the identified needs cannot be funded, it is necessary to set investment goals to guide how capital funds are spent. Based on input from stakeholders, investment goals should represent a balanced program of investments across the four strategic investment priorities of Traveler Safety, Mobility, Infrastructure Preservation, and Regional and Community Improvement Priorities; and result in a consistent, flexible and transparent approach across districts toward statewide system performance targets.

Changes from the 2004 Investment Goals

These statewide investment goals reflected in this update of the District 8 Highway Investment Plan differ significantly from the 2004 plan. At that time, Mn/DOT identified infrastructure preservation as its top priority. District 8 was directed to fully fund preservation needs before other priorities, including traveler safety, mobility, and local community priorities. The revenue and construction cost outlook in 2004 projected sufficient long term funding to meet not only preservation needs, but other areas of need as well.

Since 2004, revenues have not grown as anticipated and construction costs have increased dramatically. Even with the increased transportation revenues provided through Minnesota Laws 2008, Chapter 152, the cost to fully preserve bridges, pavements, and other road infrastructure over the next 20 years will exceed projected funding.

2009 Statewide Investment Goals

The investment goals in this plan update reflect Chapter 152 legislative direction, consideration of system performance trends, and stakeholder input. While infrastructure preservation continues to be an important investment priority for Mn/DOT, it cannot be the exclusive priority. The statewide investment goals for a balanced program are as follows:

1. Fully fund all Chapter 152 bridges by 2018;
2. Fund at least 85 percent of all other bridge preservation needs;
3. Fund at least three times the district's Highway Safety Improvement Program (HSIP) goal;
4. Use at least 70 percent of the remaining available revenues to fund pavement preservation (*District 3 and Metro District: Fully fund pavement preservation needs*);
5. Identify some level of investment in other infrastructure preservation; and
6. Remaining funds may be invested at the district's discretion.

District Goals

2009 to 2012 STIP

District 8's investment in the current STIP is essentially focused around the Paynesville bypass and system preservation. A large portion of District 8's STIP funds are being spent to construct a four-lane bypass of State Highway 23 around the City of Paynesville, which is located in District 3. Although outside of District 8, the mobility improvement and expanded four-lane access created by this project will be almost exclusively felt by the District 8 region. As such, District 8 and ATP-8 made a commitment several years ago to fund this project even though it is located in District 3. Almost all the remaining funds in the STIP are prioritized for pavement preservation with the exception of a small amount of money being spent on low cost safety initiatives.

20013 to 2018 Mid-Range HIP

For the six years of the Mid-Range HIP, District 8 is planning to spend 81 percent of its resources on pavement preservation. The growing age and condition of pavements in District 8 has made this effort a priority in the District. After pavements, District 8 is planning on investing six percent of its resources into an expanded Safety Program that would target safety investments toward lower cost/higher benefit ratio projects or add safety features to its pavement preservation program in an effort to reduce crash and fatality numbers of the District. After pavements and safety, a very small percentage (four percent) of District 8's resources will be used for RCIP projects. Most of the RCIP funding will be used to provide state cost participation to locally initiated intersection improvements as a part of District 8's Cooperative Agreements Program. A small amount of the RCIP investment will be prioritized to help District 8 complete planning and other preliminary engineering work on a couple of the identified RCIP projects. Exactly which projects and when will be determined later as part of a District 8 programming process.

2019 to 2028 Long-Range HIP

As it looks towards the 10-year of the Long-Range HIP (2019-2028), District 8 expects the following principles to be its overall general investment guide:

- Maintain a majority investment of resources into pavement preservation.
- Increase the District's expenditures on RCIP projects in an effort to provide a catalyst for economic growth and improved quality of life for the region.
- Focus on the connectivity of the region to the rest of the State and Nation by making some progress on adding to the miles of four-lane State Highway 23 in District 8.
- Reduce the amount of investment in both stand-alone and safety add-on projects by investing a greater annual amount in safety during the six years of the Mid-Range HIP in an effort to reduce the number and rate of rural fatal accidents in District 8 before 2018.
- Invest in the construction of interchanges if accident rates at the at-grade intersections begin to rise or pressure increases for traffic light installation.

Step 4: Develop Investment Plan

District 8's 20-year Highway Investment Plan is a subset of projects and improvements identified as either investments to meet performance targets or Regional and Community Improvement Priorities.

District 20-year Highway Investment Plan

District 8 investments over the next 20 years total \$800 million (Table 2) and include anticipated Chapter 152 Bridge Program bonds in years 2011 and 2012. Preservation investments comprise the largest proportion of the investments at about \$630 million or 80 percent of the total investment level for District 8. Beyond preservation, District 8 anticipates spending \$70 million or about nine percent on safety projects (including both stand-alone safety investments and add-on projects to pavement preservation projects) over the next 20 years. District 8 also expects to spend about \$51 million or six percent on mobility projects during that time frame, although the entire \$51 million in mobility will be completed in the STIP time frame when the 4-lane Paynesville bypass is constructed. District 8 anticipates investing only \$30 million or 4 percent of its available resources on RCIP projects and most of the spending of those dollars would occur after 2018. Finally, District 8 anticipates spending \$12 million or one percent of resources on other items that have not yet been specifically identified.

Table 2 – District 8 Highway Investment Plan 2009-2028
(\$ in millions, year of construction)

STRATEGIC INVESTMENT PRIORITY	PLANNING PERIOD							
	2009 to 2012		2013 to 2018		2019 to 2028		2009 to 2028	
	STIP (\$)	% of STIP	HIP (\$)	% of HIP	LRP (\$)	% of LRP	TOTAL (\$)	% of Total
Traveler Safety	1	1%	12	6%	57	14%	70	9%
Roadway Enhancements	1		11		15		27	
Capacity Improvements	-		1		42		43	
Infrastructure Preservation	102	60%	202	92%	326	81%	630	80%
Chapter 152 Bridge Program	3		16		-		19	
Other Bridge	0		9		34		43	
Pavement	98		169		278		545	
Other Infrastructure	0		8		14		23	
Mobility	51	30%	-	-	-	-	51	6%
Interregional Corridors	51		-		-		51	
Greater MN Trade Centers	-		-		-		-	
Regional and Community Improvement Priorities	6	3%	9	4%	15	4%	30	4%
<i>Right of Way, Consultants, Supplemental Agreements</i>	12	7%	NA		NA		12	1%
Total Investment	\$170 M		\$220 M		\$400 M		\$793 M	

Anticipated Projects 2009-2018

The following is a list of anticipated major projects in the strategic investment priority areas of Traveler Safety, Mobility, Infrastructure Preservation, and Regional and Community Improvement Priorities. Anticipated projects address only the first planning period, 2009 to 2018, comprised of the STIP and Mid-Range HIP. The timing of investments is better known in 2009 to 2018 relative to 2019 to 2028; the latter period having a high level of uncertainty associated with both revenue and costs. Mn/DOT examines the STIP and Mid-Range HIP together as both update annually in succession, STIP then Mid-Range HIP, as the new construction cycle begins.

The anticipated projects listed are typically greater than \$5 million in construction cost. If projected revenues are not realized, the timing of planned investments may change. This is particularly true in the Mid-Range HIP where projects remain in the planning stage and represent a general spending plan, but not a commitment. Figures 3 and 4 identify the location of anticipated projects in the STIP and Mid-Range HIP, respectively.

Mobility

Interregional Corridors

- TH 23 - Paynesville Bypass (2010)

Infrastructure Preservation

Pavement Preservation

- TH 23 - Russell to TH 19 (Marshall), Mill and Concrete Overlay (2010)

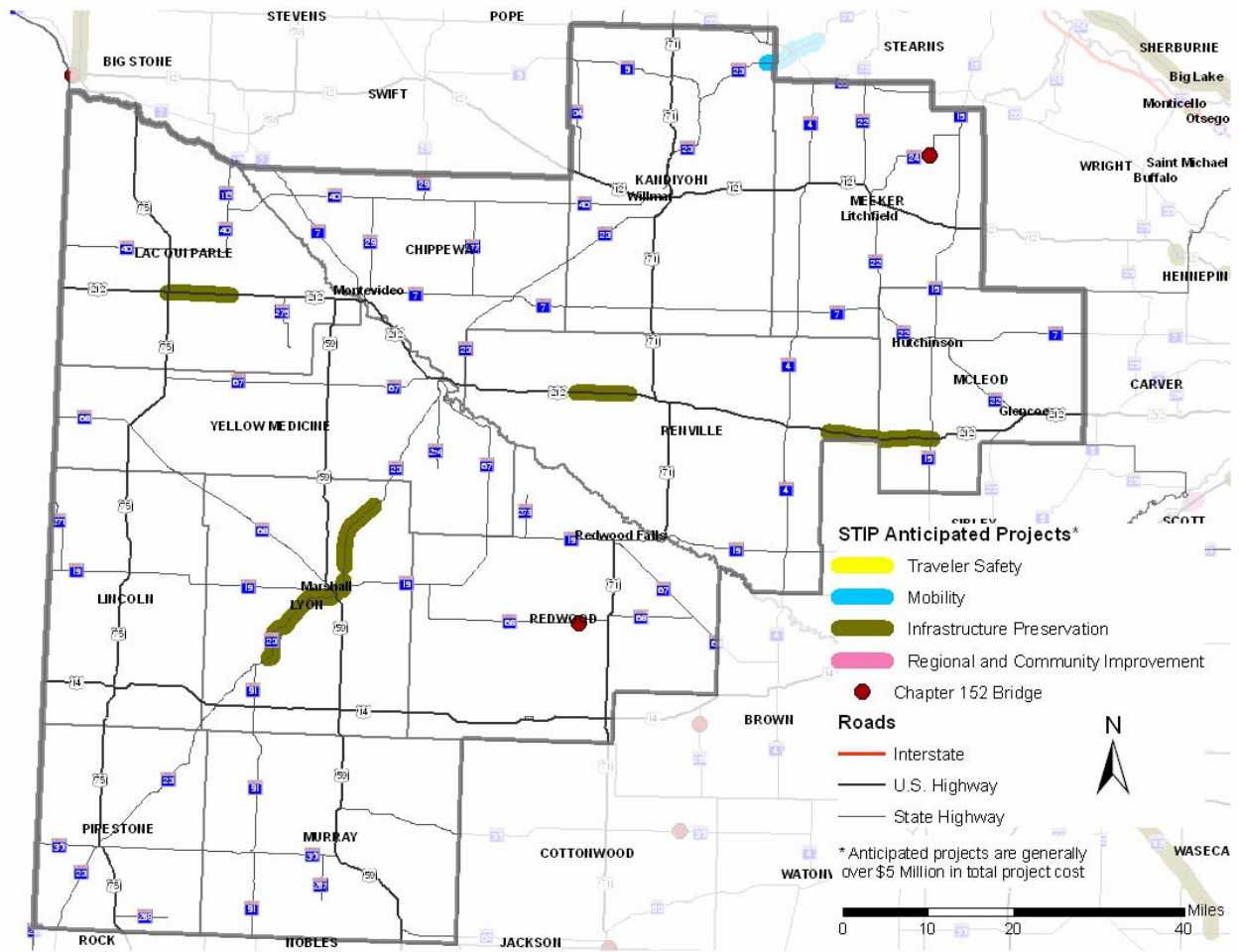


Figure 3 – District 8 Anticipated Projects for the STIP 2009 to 2012

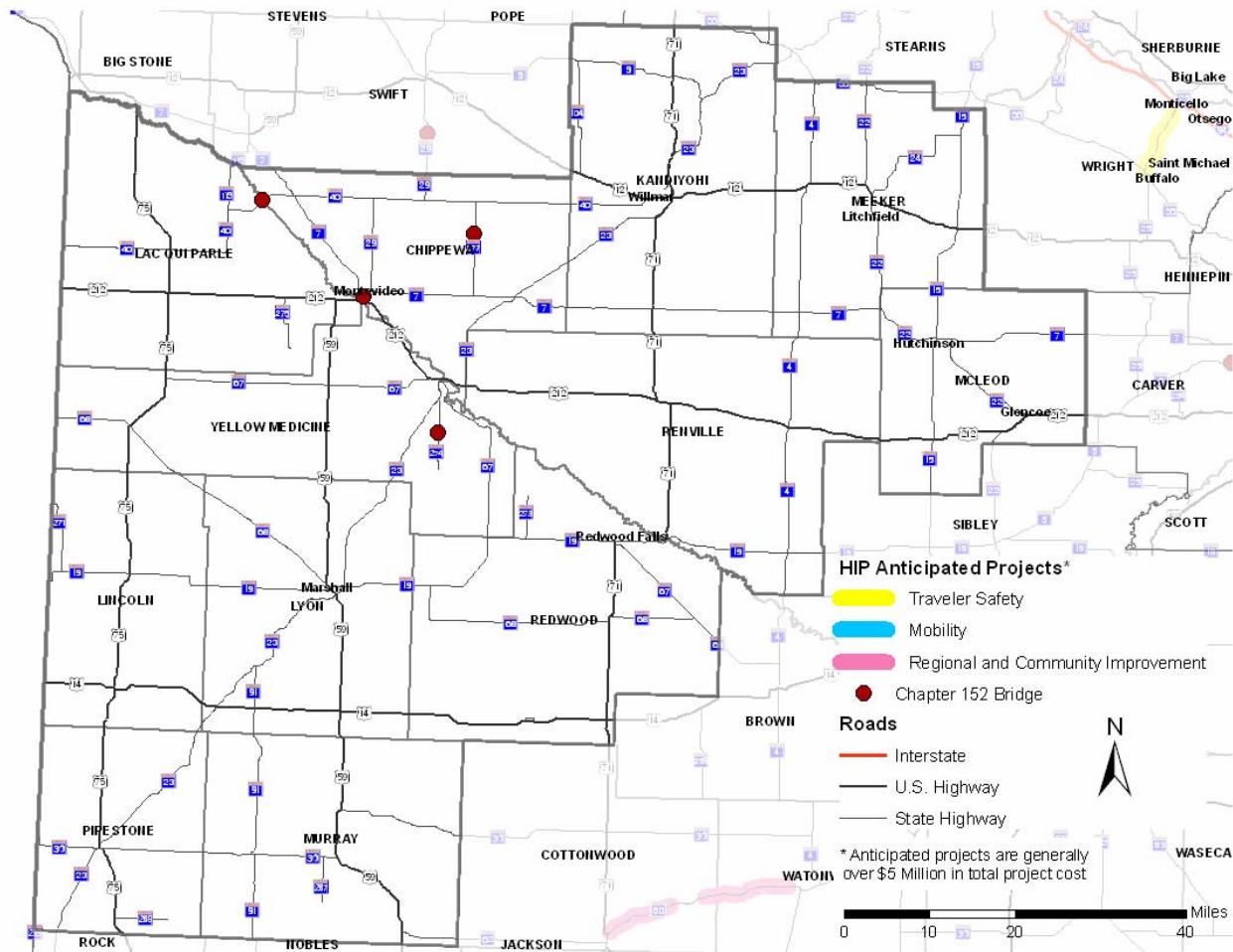


Figure 4 – District 8 Anticipated Projects for the Mid-Range HIP 2013 to 2018

Step 5: Identify High Priority Investment Options for Potential Additional Funding

With a total estimated statewide investment need exceeding \$65 billion over the next 20 years, and projected investments of about \$15 billion, almost \$50 billion remains in unfunded needs. It is unlikely that future transportation funding will ever be increased to meet this degree of unmet need. Mn/DOT’s policies and strategies, therefore, emphasize a new approach to meeting system improvement needs through stronger partnerships and innovation.

To place this level of funding in perspective, every 5 cents on the motor vehicle fuel tax in Minnesota increases total revenues by \$150 million per year and provides just under \$100 million per year to the State Road Construction fund. To generate an additional \$2.5 billion in revenue over 10 years would require the equivalent of a 12.5-cent increase in the motor vehicle fuel tax.

District Unfunded Investment Needs

District 8’s unfunded investment needs total \$0.9 billion and are distributed across the four strategic priorities as follows:

- 16 Percent – Improve Traveler Safety
- One Percent – Improve Mobility
- 67 Percent – Preserve Infrastructure in Safe and Sound Condition
- 16 Percent – Support Regional and Community Improvement Priorities

Statewide High Priority Investment Options for Potential Additional Funding

Given the magnitude of unfunded investment needs each district prepared an approach to high priority investment options should additional funding become available. District 8 emphasized investments in Traveler Safety – Capacity Improvements and Statewide Connections. Mn/DOT’s Transportation Program Committee used the information provided by the districts to develop a statewide approach.

The statewide approach identified five percent (or \$2.5 billion) of the total unfunded investment needs as high priority should additional revenue be available during the next 10 years. Since additional funding, such as the American Recovery and Reinvestment Act, would likely carry specific eligibility criteria or investment direction, the statewide approach is distributed across all four strategic investment categories.

The statewide approach provides the opportunity to enhance traveler safety on rural roads across the state as well as Twin Cities Metropolitan Area highways, upgrade underperforming IRCs, fund a lower-cost/high-benefit congestion management program as well as some key capacity expansion projects in the Twin Cities, preserve pavement and bridge infrastructure, and support partnership projects for local economic development efforts throughout Minnesota.

- | | |
|-----------------------------------------------------------------------------------------|---------------|
| • 15 Percent – Improve Traveler Safety | \$385 Million |
| • 41 Percent – Improve Mobility on Interregional Corridors and Congested Metro Freeways | \$1 Billion |
| • 39 Percent – Preserve Infrastructure in Safe and Sound Condition | \$970 Million |
| • Five Percent – Support Regional and Community Improvement Priorities | \$115 Million |

District High Priority Investment Options for Potential Additional Funding

In District 8, the three strategic priority areas additional funding would address includes the following:

- 26 Percent – Improve Traveler Safety
- 67 Percent – Preserve Infrastructure in Safe and Sound Condition
- Seven Percent – Support Regional and Community Improvement Priorities

System Performance and Anticipated Outcomes

The District 8 20-year Highway Investment Plan 2009-2028 was developed as a planning document that links the policies and strategies established in the Statewide Transportation Policy Plan and the capital improvements that are made to the state highway system. District 8 has approximately \$1.6 billion in investment needs and \$0.8 billion in total investments over the 20-year planning period, resulting in \$0.8 billion of unfunded investment needs.

The plan, however, is a snapshot in time. Anticipated project timing and expected highway system performance will change as revenues are realized and construction costs change. Highway system needs change continuously as District 8 completes its annual STIP/Mid-Range HIP update. As part of this process, District 8 tracks investments using system performance targets and responds with appropriate changes to its investment plan on an annual basis. This section focuses on the first planning period, 2009 to 2018, comprised of the STIP and Mid-Range HIP. The timing of investments, and therefore the accuracy of outcomes and system performance, is better known in 2009 to 2018 relative to 2019 to 2028.

2009-2018 STIP/Mid-Range HIP Outlook

Traveler Safety

- District 8 expects to increase the number and type of safety add-ons to pavement projects such as edge treatments, turn lanes, and other run off the road corrections in an effort to stem the number of fatal accidents in District 8 (Figure 5). Lower-cost safety investments have been shown to address run-off-the-road, head-on, cross-median, and intersection related crashes. These crashes are typical of those on rural highways where 70 percent of Minnesota's fatal crashes occur.
- In addition, District 8 is looking to add some stand alone safety projects including the potential shoulder widening and other safety measures to help reduce the number of fatal accidents in District 8.

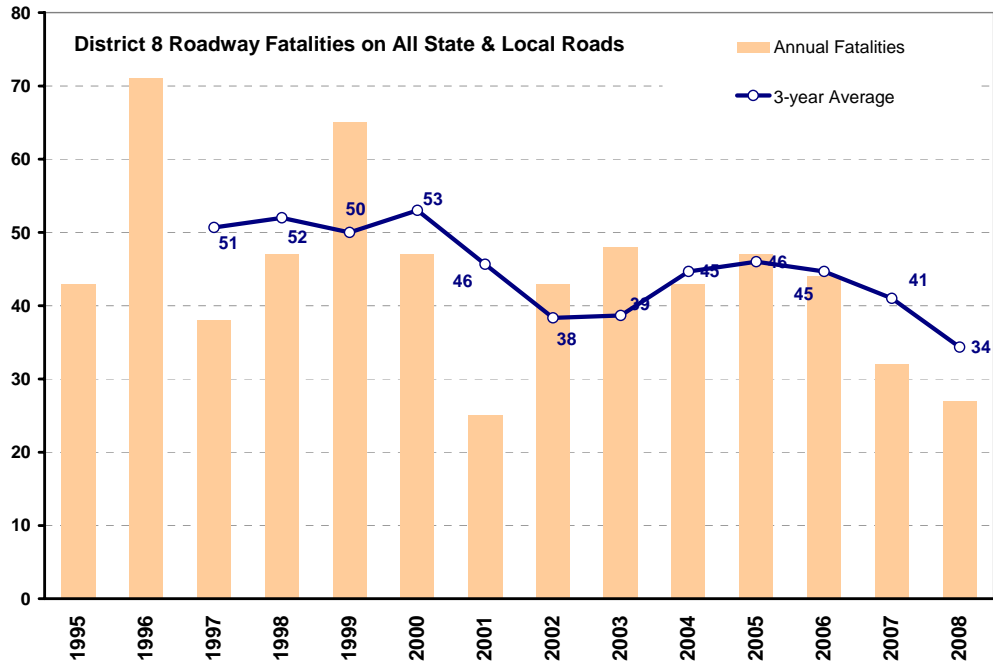


Figure 5 – District 8 Annual Fatalities on All Roads (& 3-year Average)

Source: Mn/DOT Office of Traffic, Safety and Technology

Mobility

- District 8 expects only limited investment in mobility. The Paynesville Bypass will be constructed in FY 2010 and represents almost all of District 8’s mobility investment.

Regional and Community Improvement Priorities

- District 8 has a long list of Regional and Community Improvement Priorities (RCIP). However, available resources in District 8 will make it very difficult to address most of them. District 8 anticipates being unable to construct any RCIP projects given the current resources until after 2018. What resources are available for RCIP between 2009 and 2018 will go towards District 8’s Cooperative Agreements program to assist local governments with low cost intersection improvements.

Infrastructure Preservation

Bridge Preservation

District 8 will fully fund its share of Chapter 152 Bridges as well as fund 85 percent of other bridge preservation needs.

Pavement Preservation

- Despite District 8 investing nearly 80 percent of its available resources towards pavements, District 8 expects the decline in its pavement condition to continue, although the rate of decline should slow considerably with this level of investment. Figures 6 & 7 shows the predicted pavement condition in District 8.

Predicted "Good" Ride Quality Index (miles with RQI > 3.0) ATP-8 Only

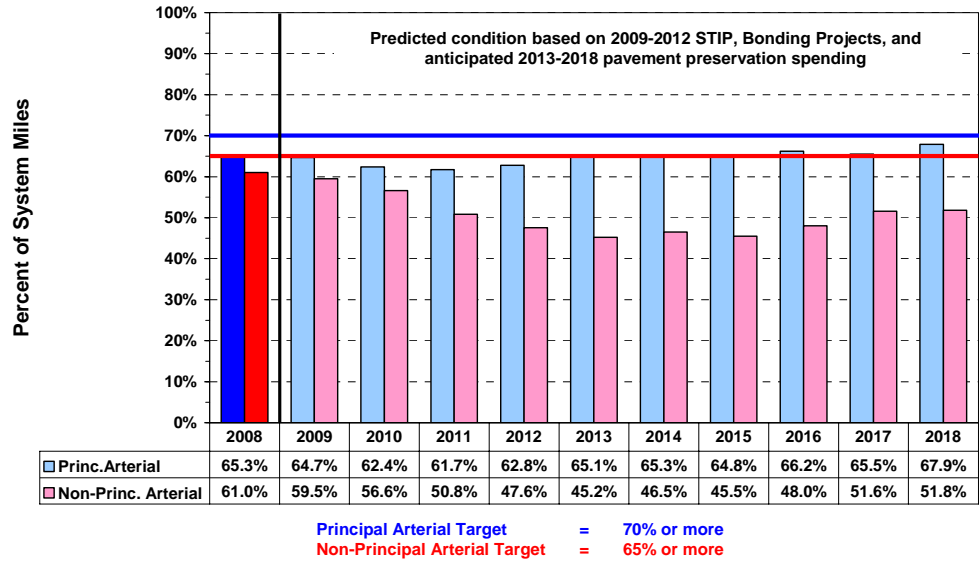


Figure 6 – Predicted “Good” Ride Quality Index for District 8

Source: Mn/DOT Office of Materials Services

Predicted "Poor" Ride Quality Index (miles with RQI <= 2.0) ATP-8 Only

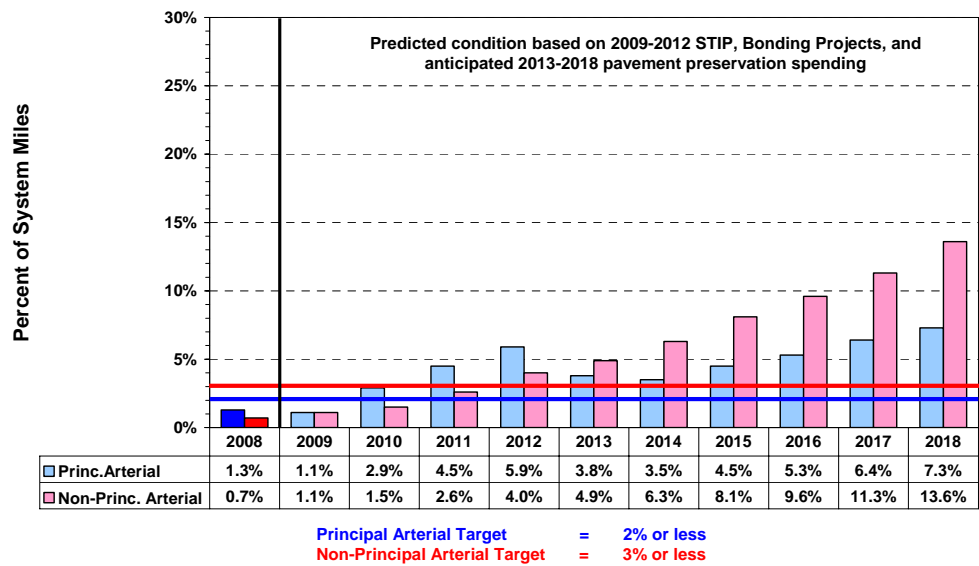


Figure 7 – Predicted “Poor” Ride Quality Index for District 8

Source: Mn/DOT Office of Materials Services

Long-Range HIP 2019-2028 Outlook

Infrastructure Preservation

System-wide pavement preservation investment needs will continue to be an important investment area in the Long-Range HIP.

Mobility and Traveler Safety

In the long-range years, District 8 will look at the possibility of reconstructing TH 15 through the City of Hutchinson and/or TH 12 through the City of Willmar to improve the mobility of these urban centers. However, limited resources will greatly reduce what improvements District 8 can do in these areas.

Regional and Community Improvement Priorities

Beyond 2018, because of increasing concern/issue by the residents, businesses, and local governments in west central and southwest Minnesota over lack of four-lane highway access, District 8 anticipates that what RCIP funding is available will most likely go towards trying to close a portion of the 11-mile gap of four-lane roadway on State Highway 23 between New London and the City of Paynesville.

Further Information

Please contact Mn/DOT District 8 for additional information.

Website: <http://www.dot.state.mn.us/d8.html>