

North Dakota Legislative Interim Economic Impact Committee

Rural and Small Cities Transportation Infrastructure Needs in Region IV

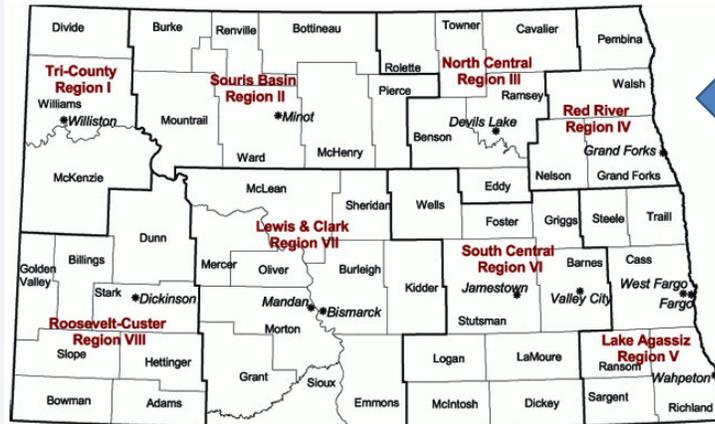
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Small Cities and Rural Transportation Needs

Background

1. Recent economic and demographic study results and disaster events
2. County Needs
3. City Needs
4. Funding Considerations

Region IV – one of eight regions



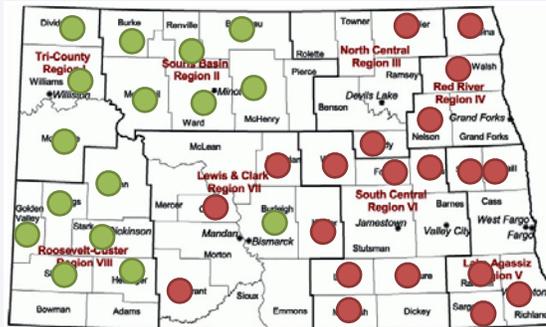
Recent Economic and Demographic Study Results

- Rural areas of the region have sustained 10 to 15% population loss since 2000
- Rural areas have lost 25% of the 0-44 age group since 2000
- Agriculture accounts for as much as 50% of income in our counties
- Government and Agriculture sectors are the leading employers

Projected Population Growth Mixed Statewide

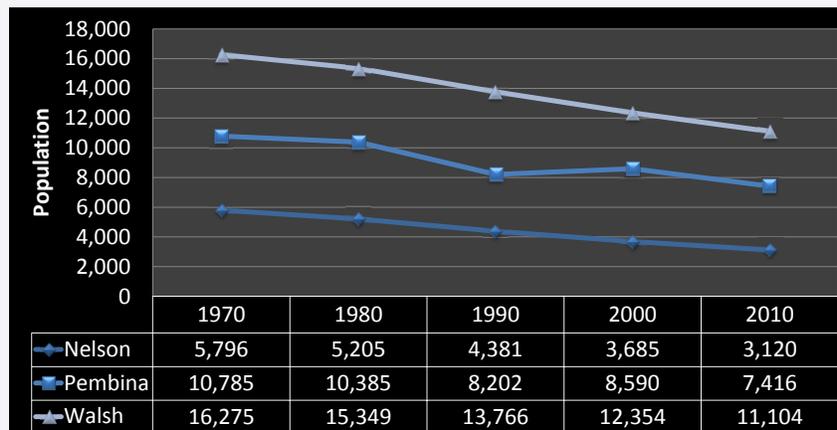
State growth projected to be 25.2%

- 33 (62%) counties are projected to grow
16 counties are projected to grow > 25% through 2025
- 20 (38%) counties are projected to continue to decline



Source: 2012 ND Statewide Housing Needs Assessment: Housing Forecast

Rural County Population Loss: 11,216 decrease since 1970



Economic Development Strategic Plans Underway

- RRRC has partnered with local Job Development Authorities and other local development groups to initiate and complete economic development strategic plans for the four counties in our region
 - Complete update to Regional Comprehensive Economic Development Strategy
 - Pembina County: April 24 and 25
 - Walsh County: April 2 and 3
 - Nelson County: April 15 and 16
 - Grand Forks County: TBD
- Will guide county and regional development efforts for next five years

Repetitive Flooding Plagues Region for Past Decade



11 Federal Emergency and Disaster Declarations

- 2013: DR 4128
- 2013: DR 4118
- 2013: EM 3364
- 2011: DR 1981
- 2011: EM 3318
- 2010: DR 1907
- 2010: EM 3309
- 2009: DR 1829
- 2006: DR 1645
- 2005: DR 1597
- 2004: DR 1515

Three Floods in 2013



Massive Rains: City of Cavalier Evacuated Late May 2013

- Flood risks have become routine in northeastern ND
- Taking its toll – financial and productivity hits
- 20% of ND farm acres were prevented plant in 2013 with a \$626.9 million estimated loss – after a record setting year in 2011



Dealing with the Aftermath



Challenges of our Counties

- Walsh County is joined by Cass and Traill Counties as those counties with the highest number of structures
- Maintaining bridge infrastructure is costly and a drain on local resources
- Bridge maintenance is a county expense
- Walsh County has closed 5 bridges in the past 5 years



Bridges by the Numbers

- 540 structures in Walsh County
 - 305 less than 20' in length, not eligible for federal aid, maintenance a county expense
 - 235 greater than 20' in length, eligible for 80% federal aid for repair and replacement, maintenance a county expense
 - Average age is 56.5 years
 - Five structures currently closed
 - 13 structures on Code 3 List – critical and at risk of closure and failure (inspected annually)
- 96 structures functionally obsolete or structurally deficient

Tier System Created to Guide Investments

- In 2007, Walsh County developed a road and bridge tier system to determine future improvements and maintenance
- Sufficiency Rating (probability of staying in service)
 - 142 (65%) between 50 to 100%
 - 76 (35%) between 10 to 49%
 - Structures < 50% are eligible for replacement

Bridge Replacement Cost

- 3,517 feet of bridges with a current sufficiency rating of less than 50%
- \$5,000 per foot to replace
- \$17.6 million to replace
 - Federal funds generally support one new bridge every three years
 - At this rate, it would take 228 years to replace the 76 structures at risk today
 - Available State funding has resulted in one bridge replacement per year for the past three years

Rural Bridges Vital to Region's Economic Health

- Road and bridge access throughout counties is essential to the economics of the region
- Agriculture is the leading employer in Region IV outside the City of Grand Forks
- Closed bridges negatively impact agriculture productivity as farmers are required to find alternate and longer routes from the field to market

Cities Unite and Cooperate

- Cities within Region IV have recognized the value of partnership and collaboration
- Cooperation and prioritization between Cities' funding needs and available resources



Federal Aid Out of Reach for Cities Under 5,000

- Cities must be on Urban Roads list to qualify for federal aid
- > 5,000 population qualifies
- City of Grand Forks is the only City in Region IV with more than 5,000 people
- City of Grafton is the second largest city in Region IV and it was removed from list in 2012
- Half the cities in ND are under 200 people

Costs are High and Cities Require Assistance

- City of Grafton receives approximately \$325,000/year from State Highway Tax Distribution. The city needs \$1,000,000 annually to adequately fund street repairs and maintenance.
- No longer qualifies for Federal Aid
- Typical costs per block for repair/replacement
 - \$20,000 for overlay
 - \$40,000 for mill and overlay
 - \$170,000 for complete reconstruction
- Reconstruction estimate does not include water and sewer improvements commonly completed at the same time
- Time is money

Roads: One Component of Many

- Cities in the region are striving to replace 70 year old water and wastewater infrastructure now significantly beyond its useful life with frequent line breaks
- Water and wastewater infrastructure replacement common when reconstructing a street
- For the past 10 years, local staff and funds addressing disaster recovery and mitigation – negative impact on other local government budgets and functions
- City of Grafton developing \$50 million river diversion project <90% of City in 100-year floodplain
- Local population base does not support significant debt service

Recommendations for Funding

- Distribution of State aid should consider an affordability measure
 - Small communities struggle to support significant debt load due to low population base
 - Median household income varies by community
- State aid could include reserve requirements for future repairs and replacement
- Infrastructure in critical condition should take priority