

Economic Impact Interim Committee Meeting

September 29, 2014
Grant Levi, NDDOT Director

State Funding (One-Time \$\$\$)

NDDOT Funding for 2013 – 2015 BIENNIUM (SB 2012, SB 2176, HB 1358)

Funding	West Region (\$ Millions)	Central and East Regions (\$ Millions)	Total (\$ Millions)
State Funds for State Highways - SB 2012/SB 2176	\$1,161.6 M	---	\$1,161.6 M
Federal Funds for STIP (2013 -2014) - SB 2012 (Includes state and local match)	\$148.8 M	\$450.0 M	\$598.8 M
Federal ER Carryover (from 2011-2013 biennium) – SB 2012 (Includes match)	\$31.1 M	\$77.0 M	\$108.1 M
State Funds Non-Oil Producing counties, cities and townships - SB 2176		\$100.0 M	\$100.0 M
State Funds Non-Oil Producing Counties - HB 1358		\$120.0 M	\$120.0 M
State Funds Oil Producing Counties - HB 1358	\$160.0 M	---	\$160.0 M
State Funds Oil Impact Township Roads - HB 1358	\$8.8 M	---	\$8.8 M
Total 2013- 2015 Biennium	\$1,510.3 M	\$747.0 M	\$2,257.3 M

Roadway investments using state and federal funding. Includes construction, right of way, engineering and utilities costs.

Approximately \$581 Million = Federal Funds

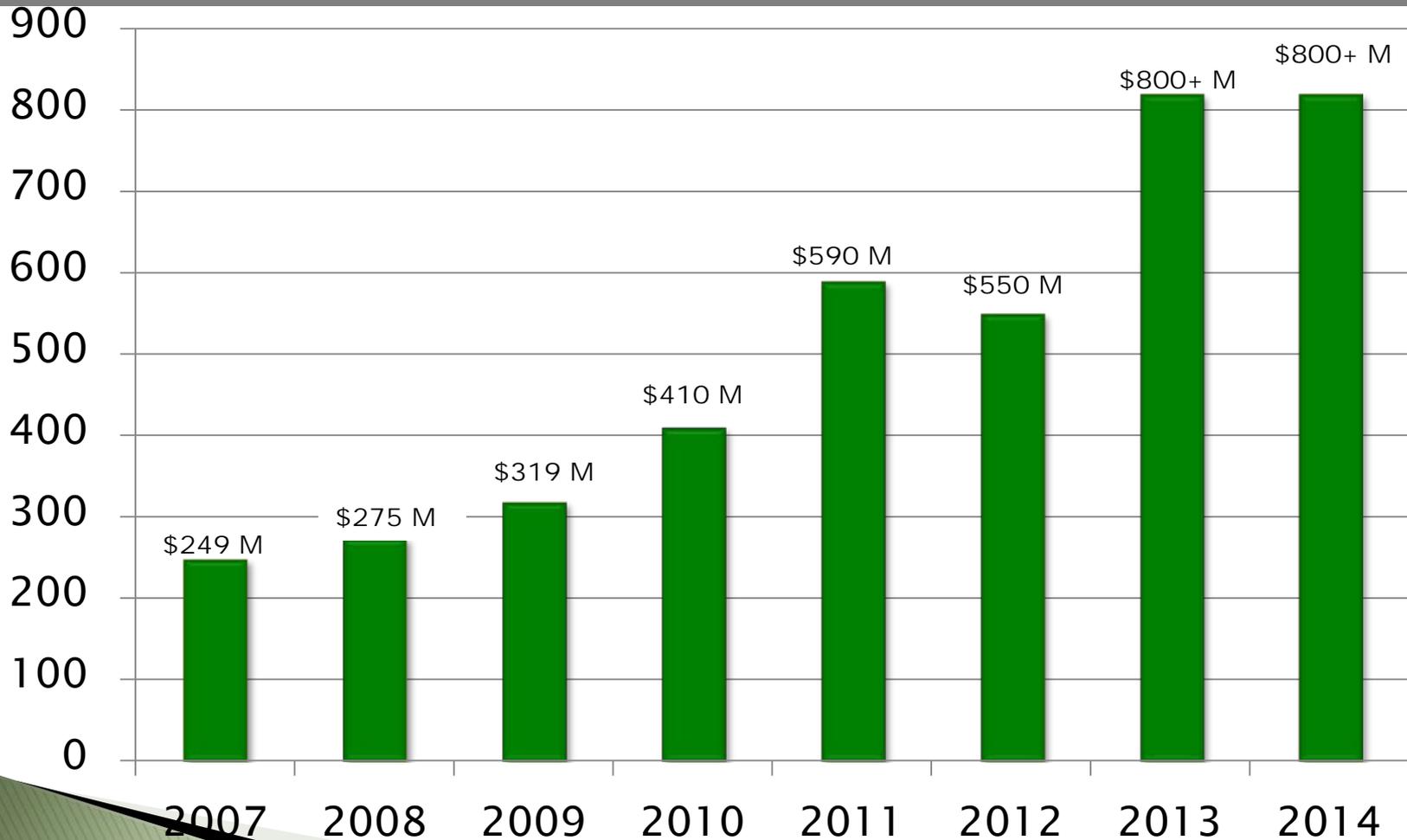
Senate Bill 2176 Funding

- **Senate Bill 2176 provided \$720 million immediately for statewide highway and road improvement projects.**
 - \$620 million of General Fund money for state highway projects.
 - \$100 million in General Fund money to the treasurer to be used by the cities, counties, and townships in the non-oil producing counties.



Two of the largest construction programs in state history

NDDOT Construction Program



US 85 Construction Progress

- ▶ **US 85 four lane project between Watford City and Williston – all phases under construction this year.**
 - Watford City to Alexander – all four lanes open to traffic.
 - Alexander to County Road 16 – under construction, roadway will be open to traffic in Fall 2014.
 - County Road 16 to Williston- construction work begins this year.



US Highway 85 west of Watford City

Truck Route Update

- ▶ The state is investing approximately \$409 million to cover all costs for the construction of truck bypass routes for western North Dakota cities of Williston, Watford City, Dickinson, New Town and Alexander.



Construction work on Watford City ND Highway 23 SE Bypass

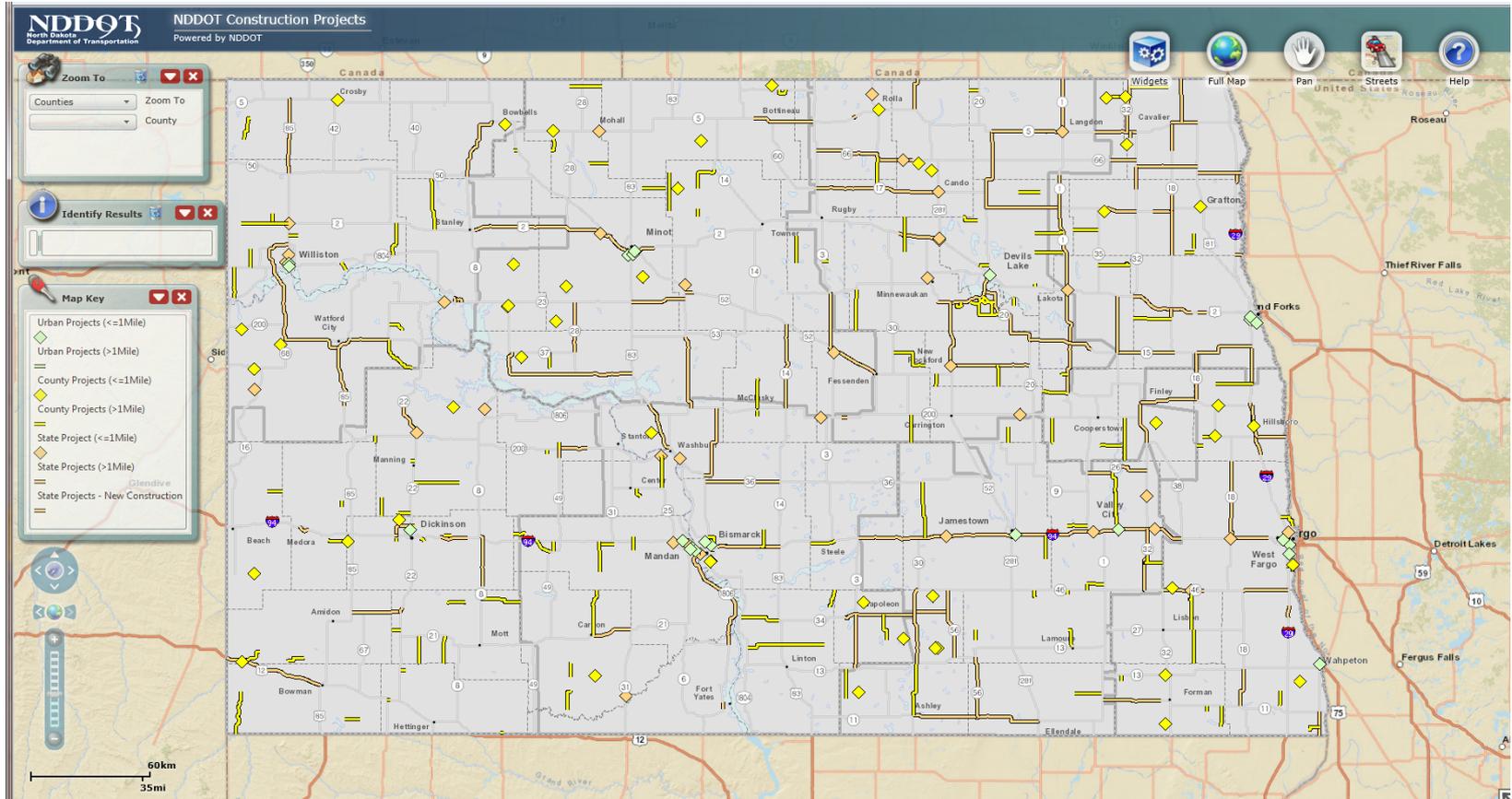
State Funded County Road Program

\$280 Million HB 1358 County State Aid Road Program

Allocation	Total Available	Total Requested	Remaining	% Remaining
Oil Producing	\$160,000,000	\$143,707,865	\$16,292,135	10.2%
Non-Oil Producing	\$120,000,000*	\$67,604,185	\$52,395,815	43.7%
Total	\$280,000,000	\$211,312,050	\$68,687,950	24.5%

**Funds weren't available until February 2014*

NDDOT Projects website map

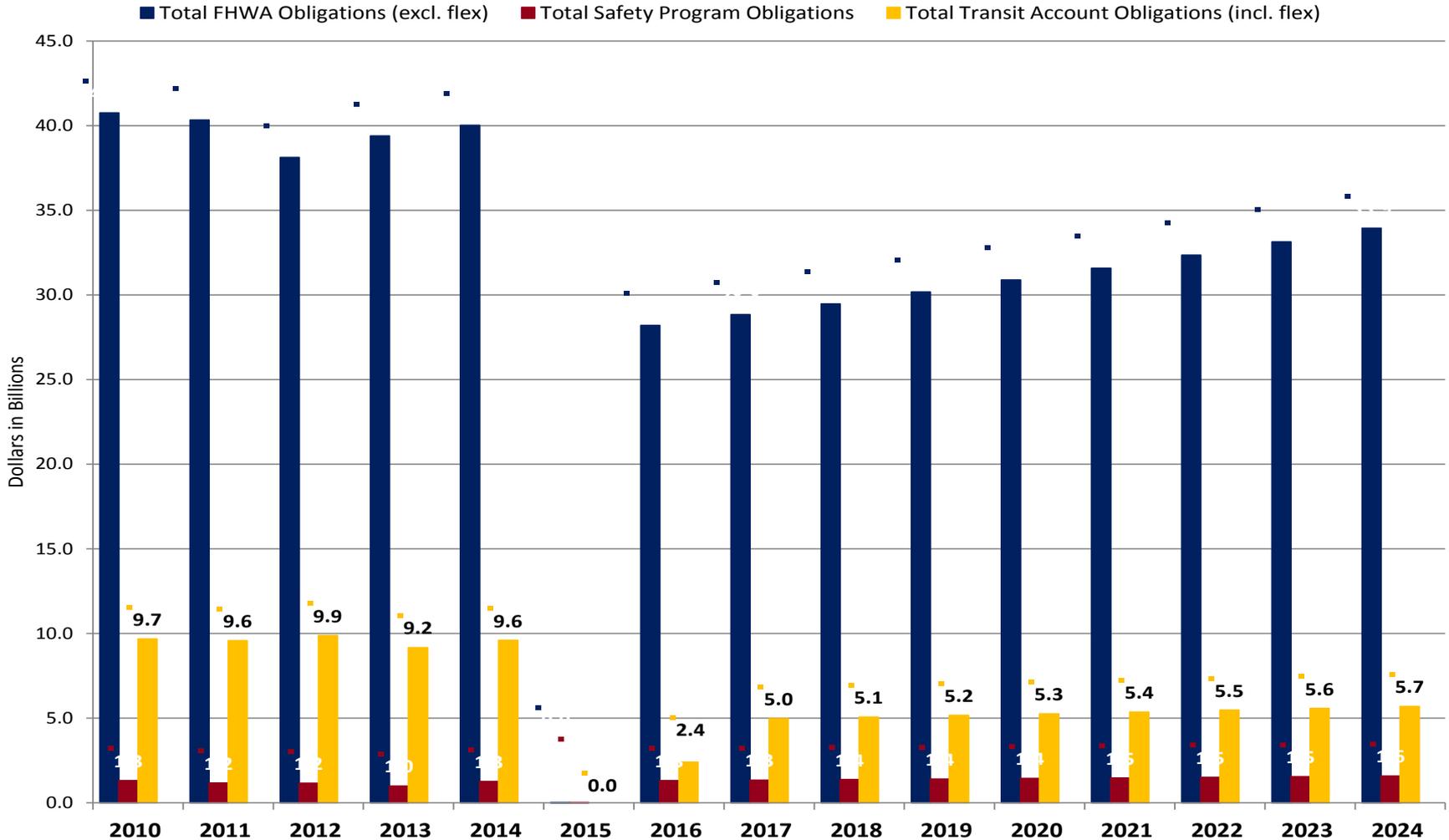


Interactive map shows details of state and county road construction projects.

Can be found under Maps section at www.dot.nd.gov

Federal Funding

Estimated Federal Highway and Transit Obligations With No Net New Revenue



If no new revenues are found, federal highway obligations will fall by almost 100% in FY 2015

Federal Funding Update

- Congress recently passed legislation that appropriated funding for **10 weeks** into the new federal fiscal year (through December 11, 2014.)
- North Dakota will be provided obligational authority for approximately \$45 million for 2015.
- The current transportation funding MAP-21 program was also extended to only May 31, 2015.

Corridors of Commerce

***NDDOT's mission is to safely
move people and goods.***

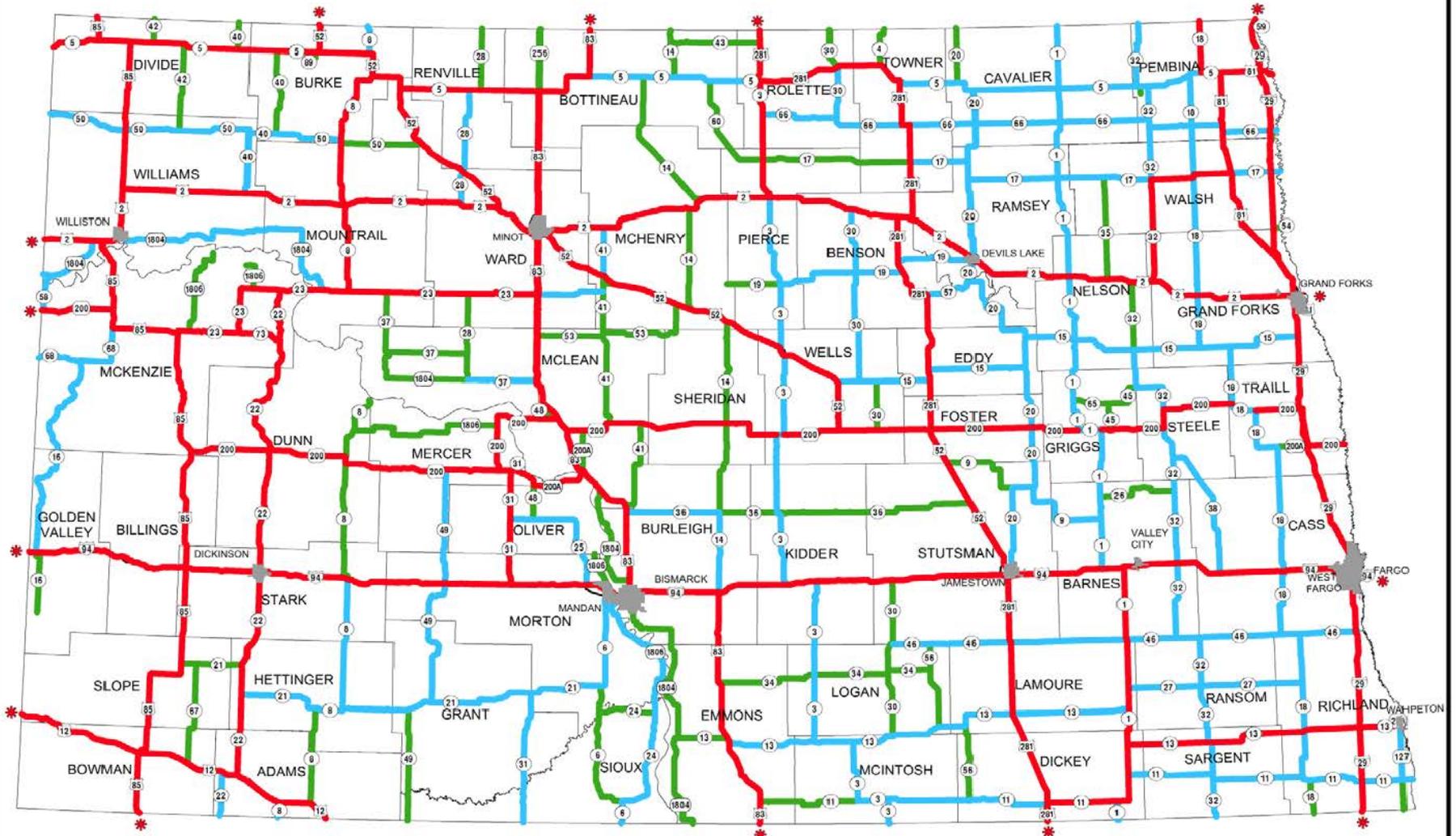
North Dakota Freight Plan

Transportation Infrastructure System

Freight Mode	<u>Level One</u> Critical Rural Freight Corridors International/Interstate	<u>Level Two</u> Regional/Intrastate	<u>Level Three</u> Local
Roads	Interstate & Interregional Highways Congressional Designated High Priority Corridors STRAHNET National Truck Network Energy/Agricultural Access Corridors High Truck Volume Segments Principal Arterials	State Corridors District Corridors County Major Collectors City Principal Arterials	District Collectors Other County, City, Township and Tribal Roads
Air	Commercial Airports Air Force Bases	General Aviation Airports	Public Use Airports Private Airports
Rail	Class 1 Mainlines STRACNET	Class 1, Regional Railroad branchlines <u>capable of</u> carrying 286K cars	Class 1, Regional Railroad branchlines <u>capable of</u> carrying 268K cars
Pipeline	Interstate Pipelines	Gathering Pipelines	Distribution Pipelines

STATE STRATEGIC FREIGHT SYSTEM - HIGHWAYS

FIGURE 1



Strategic Highway Level — LEVEL 1 — LEVEL 2 — LEVEL 3
* GATEWAY TO THE STATE URBAN AREA



2014

State Century Code

According to NDCC Chapter 24-01-01: “ It is the intent of the legislative assembly to give broad authority and definite responsibility to the director of the department and to the board of county commissioners so that working together, free from political pressure and local interests, they may provide for the state an integrated system of state and county highways built upon a basis of sound engineering with full regard to the interest and well being of the state as a whole.”

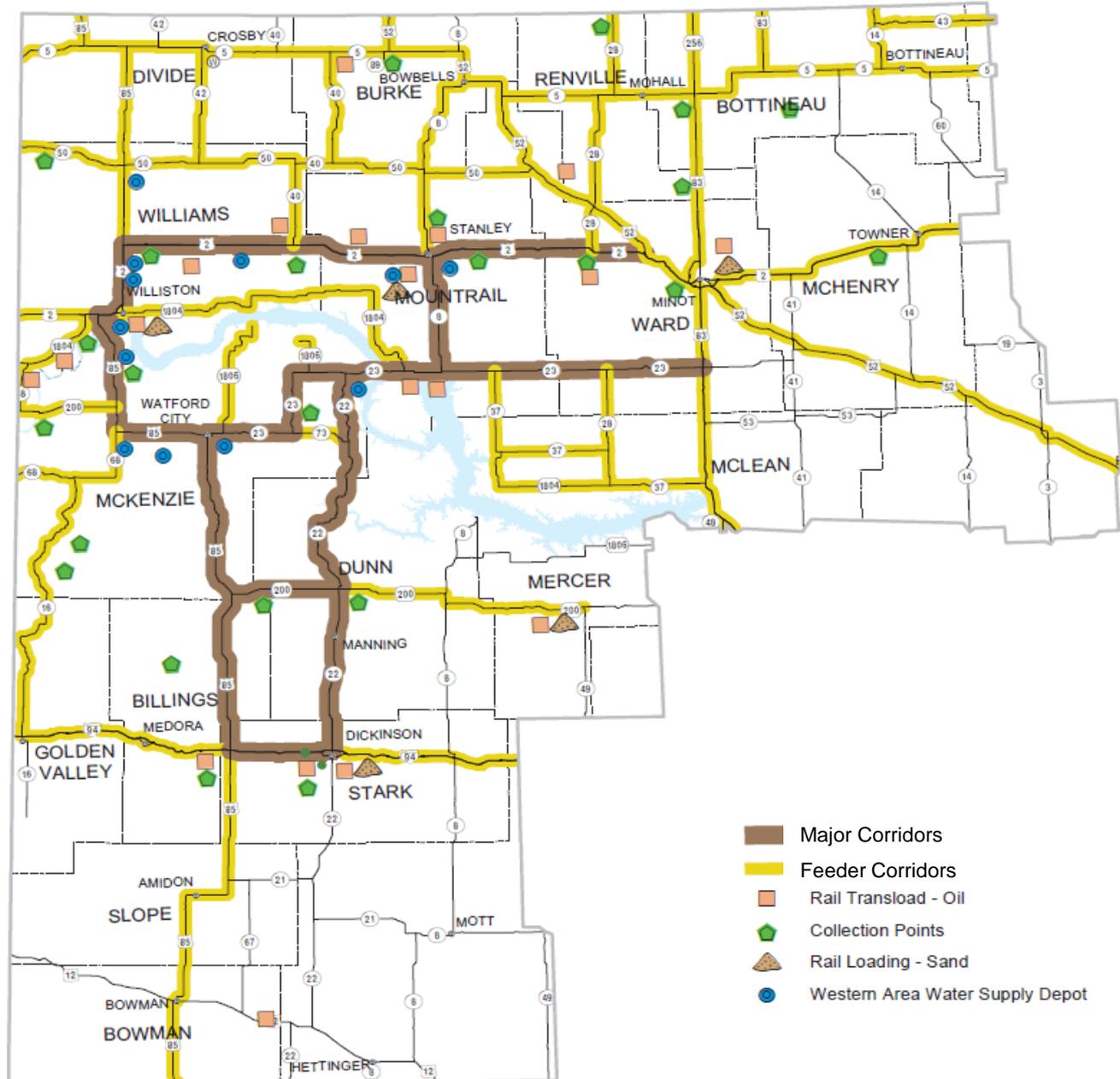


Federal Aid System (FAS)

- ▶ Established by Federal Law-NDDOT using to comply with integrated road system.
- ▶ Farm to market system.

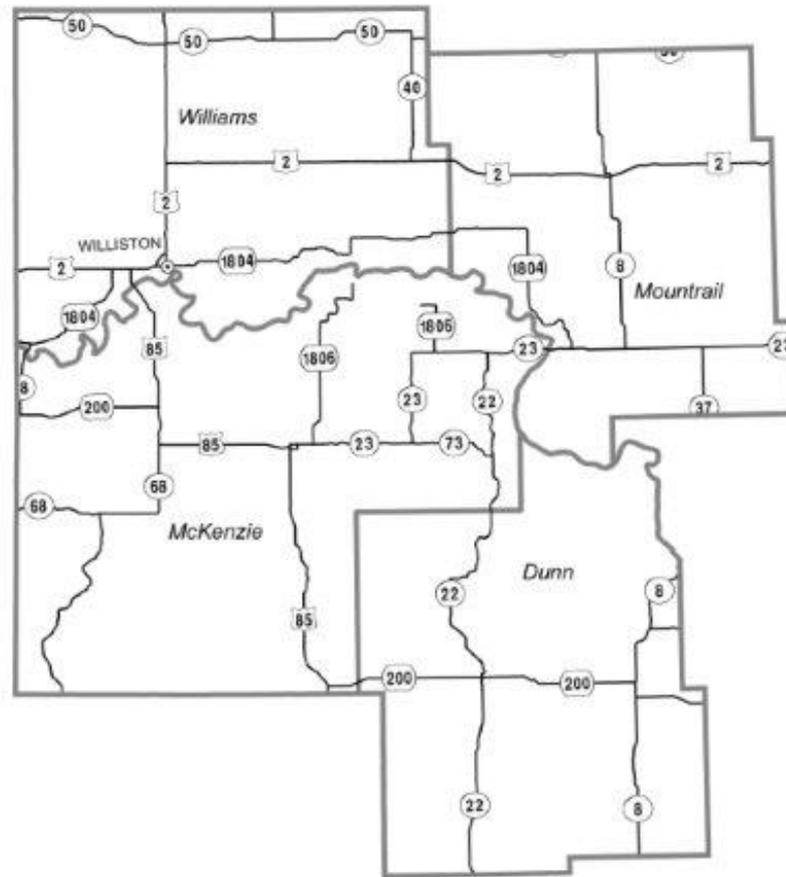


Western ND Highway Energy Corridors



County System

- ▶ We are working with the four largest oil producing counties on integrated road system concept.



Integrated Rural State and County Roadway Freight Transportation System Location Criteria

- ▶ **Level 1** - Generally provides for transporting of freight over long distances for interstate and international commerce.
- ▶ **Level 2** - Serve a smaller geographic area than level 1 roadways and provide for the interregional transport of freight over moderately long distances.
- ▶ **Level 3** - Serve a smaller geographic area than level 1 and level 2 roadways and provide for the regional movement of goods over moderate distances which would likely involve transport across one or multiple counties.
- ▶ **Level 4** - Would generally provide for intra-county movements of goods serving a smaller geographic area than the level 1, 2 or 3 facilities and would typically serve freight movements within a single county or link to an adjacent county system roadway.
- ▶ **Level 5** - These facilities would generally provide the most localized movement of goods serving the smallest geographic area of all the levels identified.

Railroad Safety Programs

There are four dedicated funds or programs for rail-highway safety activities:

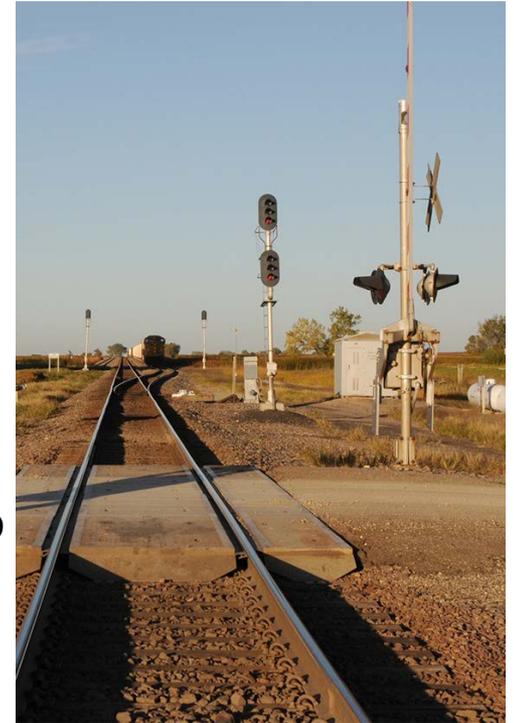
Program/ Fund	Funding Source	Purpose	Dollars per year
Hazard Elimination	FHWA – Safety (HSIP subcategory)	Elimination of identified physical hazards at highway-rail grade crossings. Typically, we do surface repairs & replacements; both traffic control and surfaces are eligible. Operation Life Saver is part of this program	\$1.0M
Protective Devices	FHWA – Safety (HSIP subcategory)	Installation of new and/or replacement of existing signals and signing at highway-rail grade crossings.	\$1.5M
Quiet Zone	State (HTDF – Locomotive fuels excise tax) Minimum local 10% match (most provide significantly more)	The main purpose of this program is to aid local jurisdictions in developing rail quiet zones, which typically entails installation of Supplemental Safety Measures. SSMs are physical infrastructure above and beyond what is required or recommended, <u>allowing</u> (not requiring) locomotive engineers to avoid blowing their horns at crossings. A secondary purpose of the program is to first bring highway-rail grade crossings up to recommended standards within or adjacent to proposed quiet zones.	One-time program of \$1.6M
Locomotive Fuel Excise tax	State (HTDF)	Upgrade existing signals or install new signals at highway-rail grade crossings.	\$250K

Railroad Loan Program

Funding for NDDOT's rail loan programs originally came from a federal grant and is used to upgrade and enhance rail infrastructure that maintains or improves rail service.

Loans are typically limited to \$5 million or less, with project proposals categorized in descending order of priority as:

- System Critical – critical to a railroad's continued existence. Without the project the railroad likely cannot remain viable.
- Infrastructure Improvement – upgrade or maintain existing rail infrastructure.
- Economic Development – connect new customers to railroads or expand existing rail-loading facilities, such as upgrading an existing elevator to a unit-train loading facility.



Railroad Loan Projects

Projects over the last five years include:

- Spiritwood Loop Track and Industrial Park - \$7.5 Million total project estimate, \$5.25 Million loaned
- Harvey Industrial Park Rail Spur - \$586,000 total project estimate, \$293,000 loaned
- Minor Rehab 1 Red River Valley & Western (RRVW) – Horace to Lisbon \$880,970 total project estimate, \$616,679 loaned
- Minor Rehab 2 RRVW – Jamestown to Carrington \$832,001 total estimate, \$370,588 loaned
- Major Rehab RRVW – Davenport to Lisbon \$14.6 Million total project estimate, \$6.5 Million loaned

Railroad Loan Program \$\$

Outstanding loans as of September 2014 = \$14.76 Million

Total Loaned Out Since 1982 = \$37.58 Million



Looking to the Future

Future Work Still Needed on Bypasses and State Roads

- ▶ Dickinson Bypass Phase 2
- ▶ New Town Northwest Bypass
- ▶ Williston Northeast Bypass
- ▶ Killdeer Bypass

Once bypasses completed, work is still needed on state highways in cities and roadways across the entire state.

US 85 Work

- NDDOT is starting environmental work on US Highway 85 from Watford City south to I-94.



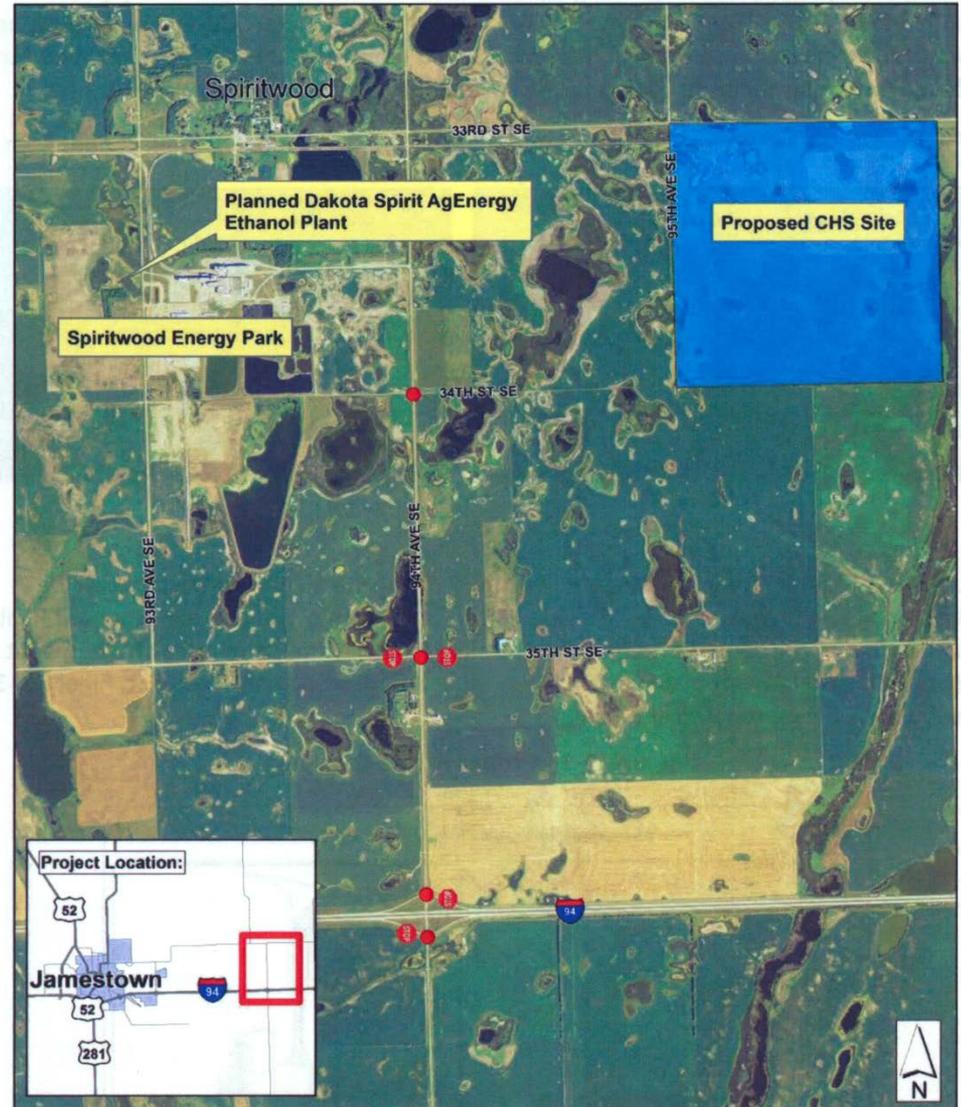
Cost estimate to 4-lane remainder of US 85

Projects	Today's Dollars	Costs Adjusted for Inflation (12% per year) Construction average since 2001
4-Lane US 85 Watford City to I-94	\$735 M	\$1,030 M – If construction started in 2016*
4-Lane US 2 from existing 4-Lane to Montana Border	\$120 M	\$151 M – If construction started in 2016*
4-Lane US 85 South Dakota Border to I-94	\$825 M	\$1,636 M – If construction started in 2019*
TOTALS	\$1,680 M (\$1.68 Billion)	\$2,817 M (\$2.817 Billion)

** The assumed construction year is to illustrate the impact inflation has on the cost. The actual construction year will depend on the ability to complete the environmental documents and the availability of funding.*

Major Developments

- CHS plant at Spiritwood near Jamestown.
- Large oversized loads.



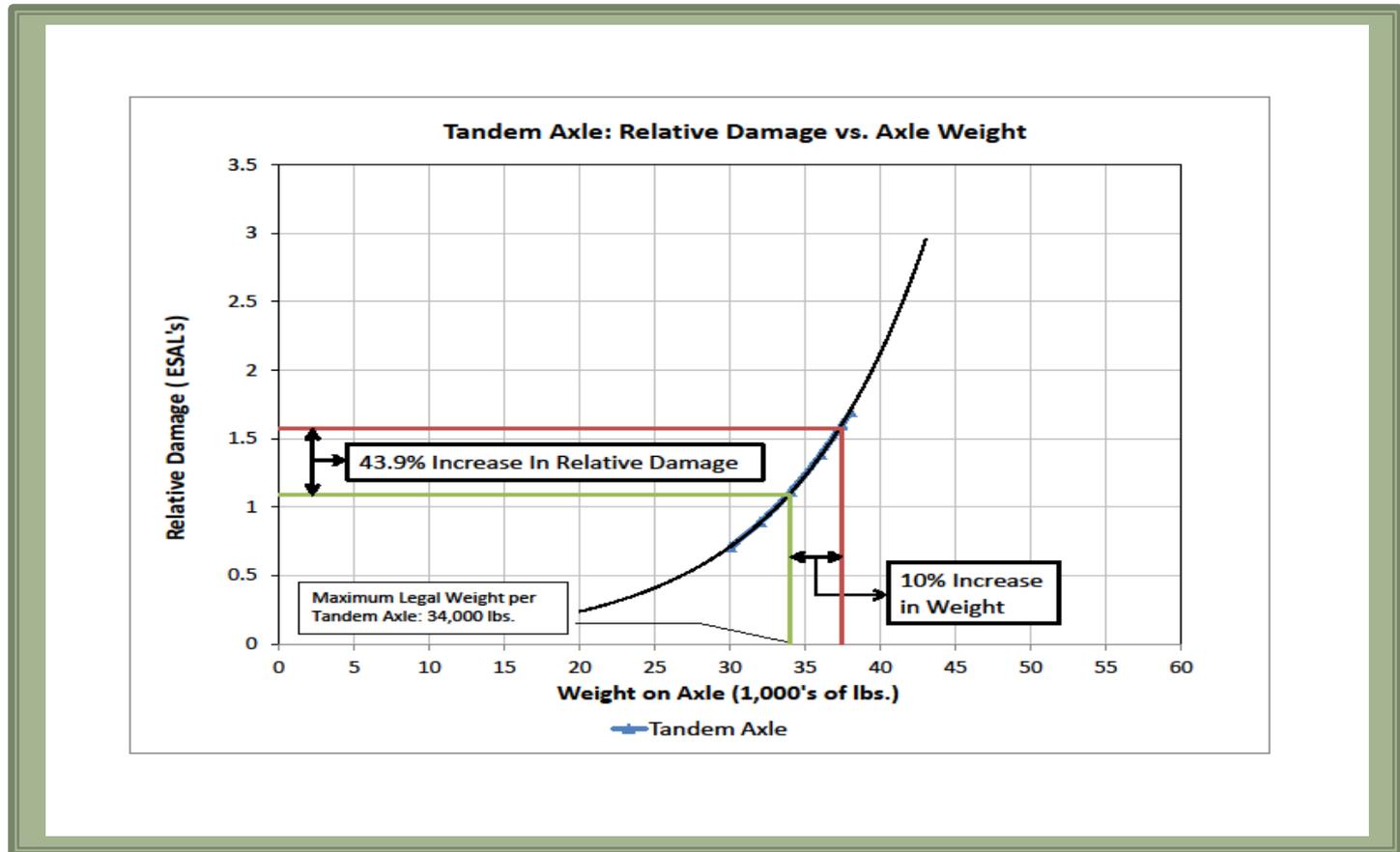
Size of Loads

- ▶ A recent load weighing 609,000 lbs. transported equipment from South Dakota to Spiritwood near Jamestown.
- ▶ Pictured below is an oversized load that weighed nearly one million lbs., was 23 feet wide and 285 feet long that moved equipment to Spiritwood.



Truck Sizes and Weight

- Damage from illegally overweight loads not only affects pavements and roadways but it can also permanently age bridges.



- Illustrates how a 10% tandem axle overload increases road damage by nearly 44%, compared to a legal tandem of 34,000 pounds.

System Condition

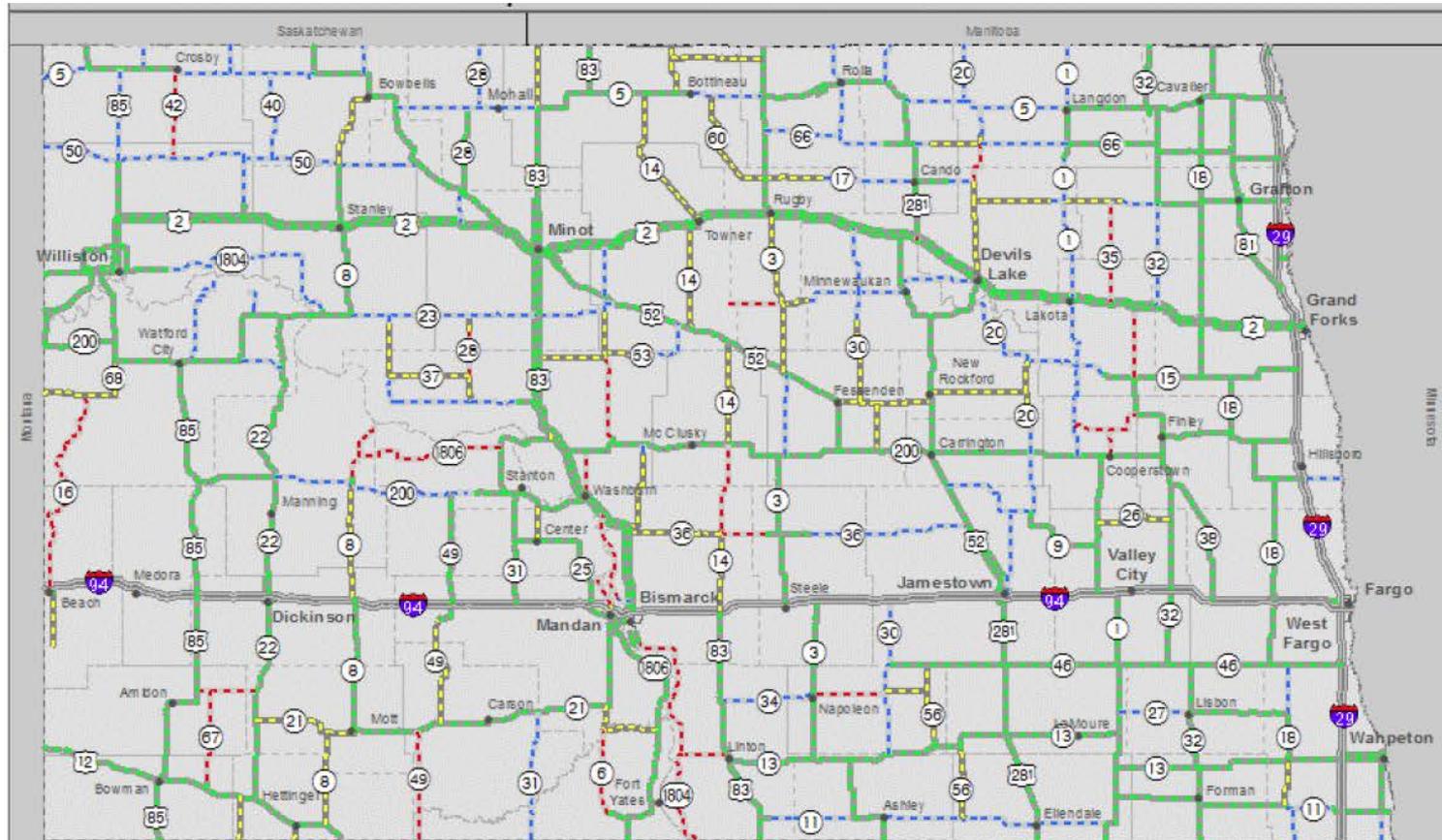


ND Highway 1806 - September 2010



ND Highway 1806 in April 2011- After 7 months of traffic

Spring Load Restrictions



PROPOSED - Order 2014-21 Effective 07/09/2014 07:00 AM CT

Date Published: 07/08/2014 11:30 AM

Interstate System	by Legal Weight	8 - Ton	7 - Ton	6 - Ton	5 - Ton
Single Axle	20,000 lbs	16,000 lbs	14,000 lbs	12,000 lbs	10,000 lbs
Tandem Axle	34,000 lbs	32,000 lbs	28,000 lbs	24,000 lbs	20,000 lbs
3 Axle Group or more per Axle	17,000 lbs	14,000 lbs	12,000 lbs	10,000 lbs	10,000 lbs
Max. Axle Group	48,000 lbs	42,000 lbs	36,000 lbs	30,000 lbs	30,000 lbs
Gross Weight	105,500 lbs	105,500 lbs	105,500 lbs	80,000 lbs	80,000 lbs

Call Highway Patrol for vehicle size/weight and permits.
Call 511 for enroute information

Phone #'s (701)

HP Permit Office	328-2621	Minot	857-6925
NDDOT Office	328-2545	Dickinson	227-6500
Bismarck	328-6950	Grand Forks	787-6500
Valley City	845-8800	Williston	774-2700
Devils Lake	665-5100	Fargo	239-8900

Staffing Challenges

The DOT is experiencing staffing challenges, especially in western North Dakota, which may impact our ability to provide services.



Questions?