



GOODHUE COUNTY MINNESOTA

TO EFFECTIVELY PROMOTE THE SAFETY, HEALTH, AND WELL-BEING OF OUR RESIDENTS

COMMITTEE OF THE WHOLE AGENDA

**ROOM 301- OLD COURTROOM
GOVERNMENT CENTER, RED WING
AND
COMMISSIONER RON ALLEN APPEARING VIA ITV FROM
ROOM 1P-162
VA HEALTH CARE SYSTEM
1 VETERAN'S DRIVE
MINNEAPOLIS, MN 55417**

8:15 A.M.

(OR IMMEDIATELY FOLLOWING THE CLOSED SESSION COUNTY BOARD MEETING)

1. Transportation Funding Options.

Documents:

[Transportation Funding Alternatives.pdf](#)

GOODHUE COUNTY DEPARTMENT OF PUBLIC WORKS



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HIGHWAYS ♦ PARKS ♦ SOLID WASTE

TO: Honorable County Commissioners
Scott Arneson, County Administrator

FROM: Greg Isakson, Public Works Director

RE: 24 Jul 18 Committee of the Whole Meeting
Transportation Funding Alternatives

Date: 18 Jul 18

Staff would like to discuss transportation funding options with the Board at this Committee of the Whole.



Transportation Funding Alternatives

COW – 24 Jul 18

Existing System Preservation

ANALYSIS OF FIVE YEAR PLAN										
50 Year Life Cycle - 2018										
GOODHUE COUNTY					07/24/2018					
	Current Five Year Program (Miles)					Ave	Needed for 50 yr Road	Weighted Average		
	2013	2014	2015	2016	2017			Miles Short	Cost/ Mile	Amount Deficient
Bituminous Roads										
Grading	0.0	6.7	0.0	5.5	0.6	2.56	6.86	4.30	\$1,315,707	\$5,652,276
Paving	0.0	1.5	0.0	5.2	0.0	1.34	6.86	5.52	\$653,198	\$3,606,961
Overlay	7.3	14.2	6.0	21.8	27.04	15.25	13.72	-1.53	\$275,877	-\$422,644
Rock Roads:										
Grading	1.3	0.0	0.0	0.0	0.0	0.26	1.14	0.88	\$444,500	\$392,938
									Annual Funding Shortfall:	\$9,229,531

If ALL current funding used for regrading & initial paving

Replacement Age = 125 years

ANALYSIS OF FIVE YEAR PLAN

BRIDGES - 80 Year Life Cycle - 2018

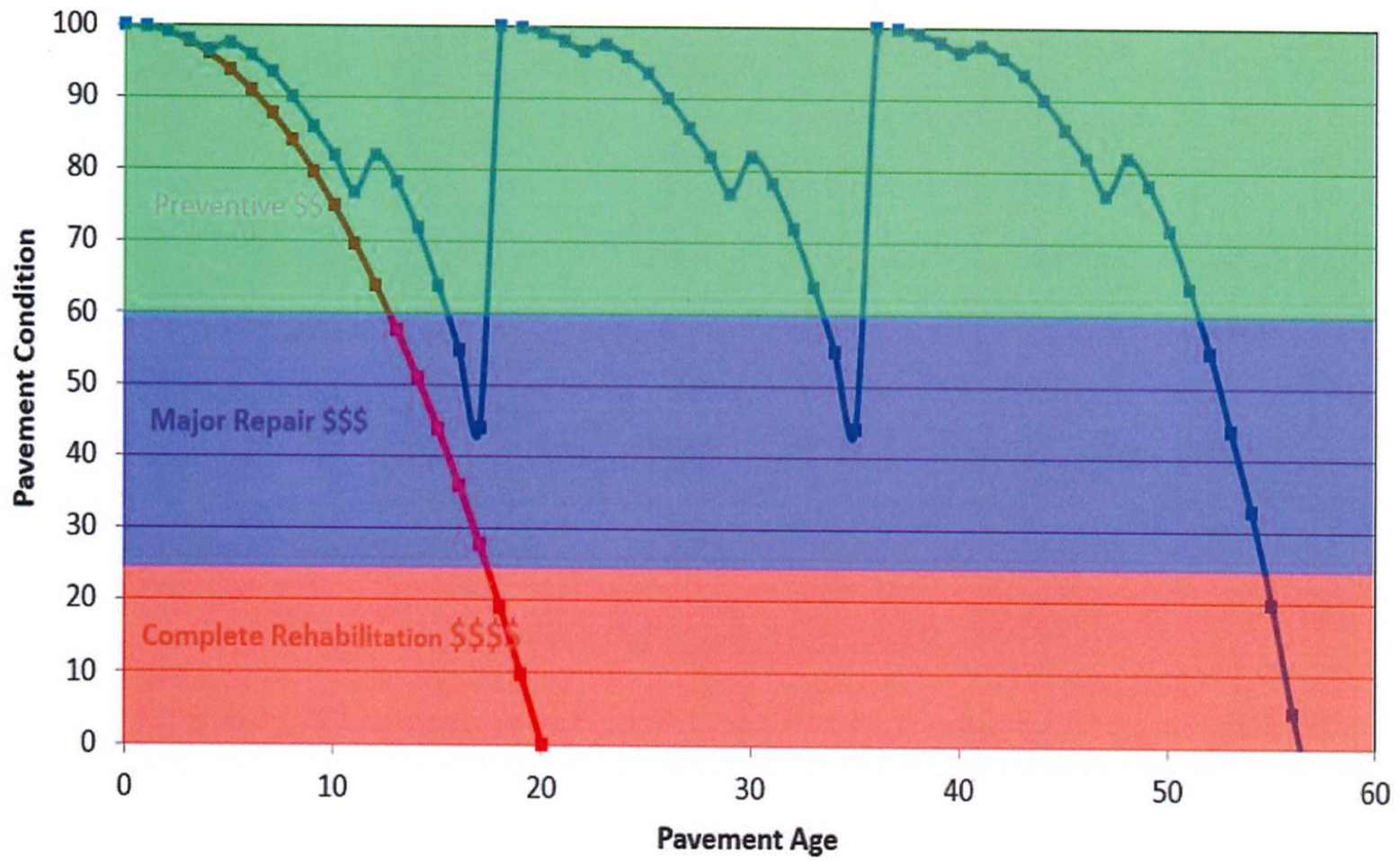
GOODHUE COUNTY

07/24/18

	Current Five Year Program (Based on Annual Report)					Ave	Needed for 80 yr Life Cycle	Average			
	2013	2014	2015	2016	2017			Bridges Short	Cost/ Bridge	Amount Deficient	
Bridges	3	3	9	5	4	4.80	5.26	0.46	\$407,282	\$188,368	
									Annual Funding Shortfall:		\$188,368

80 X 5.26 = 421 / 4.80 = 88 years





Funding Option Impact to Road Surface Conditional Index (CI)

- CI = 100 is a perfectly smooth surface
- CI = 0 is extremely rough surface

Current Average CI of our system = 66

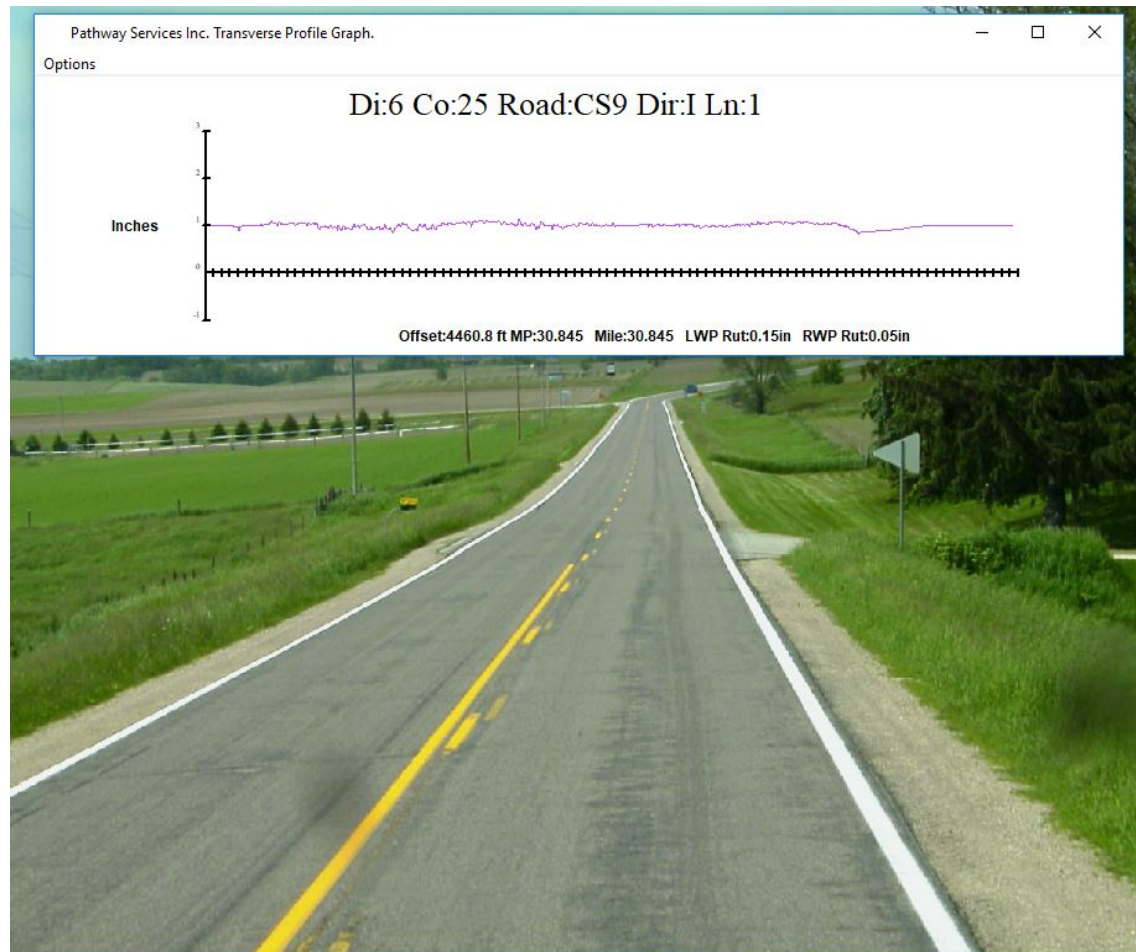
CSAH 9

(in 2015)

east of CSAH 2,

paved 1996

CI = 67



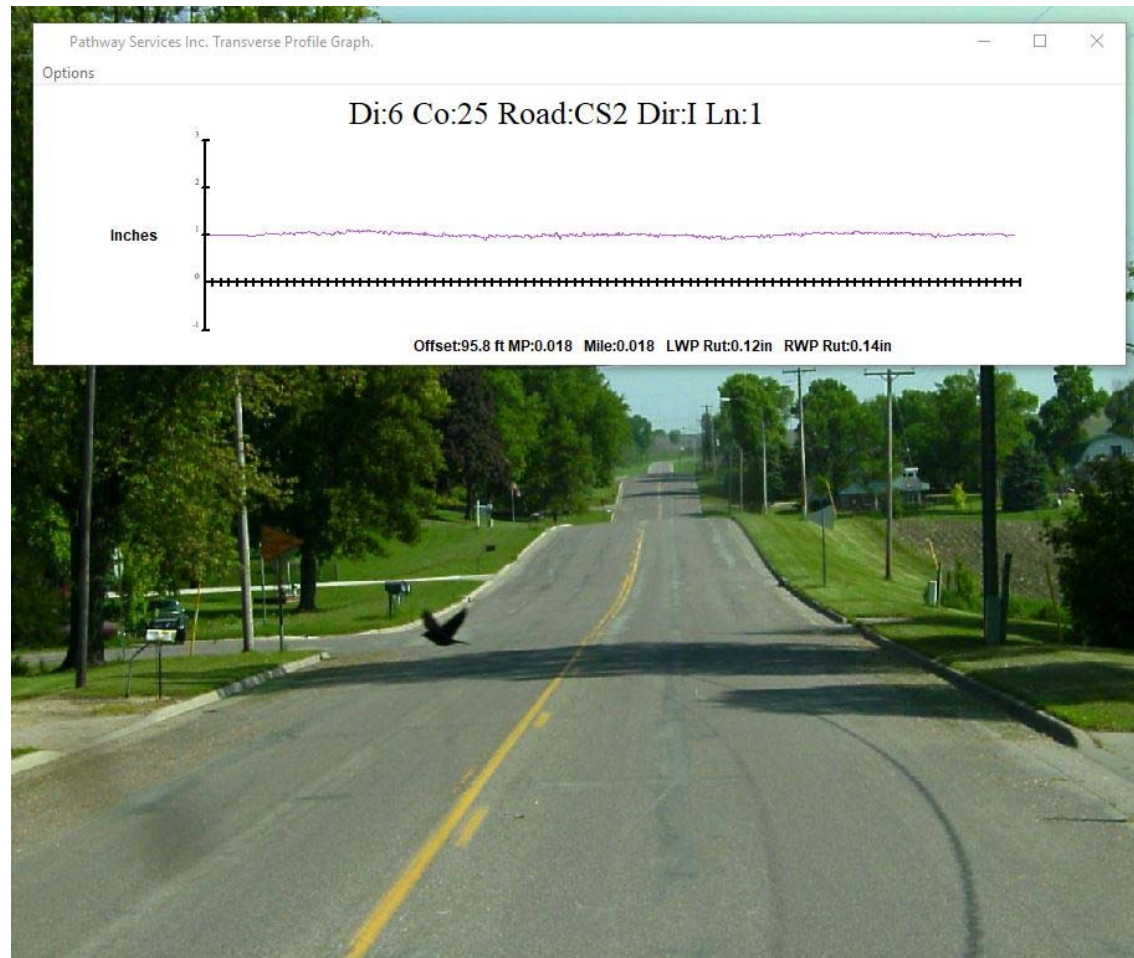
CSAH 2

(in 2015)

in Bellechester,

paved 1998

CI = 65



Impact on Road Surface Conditional Index (CI)

FUNDING SOURCES							
Scenario	Last Year's	This Year's	Wheelage	LOST	Additional Levy		Surface Conditional Index
1	x						37
2		x					44
3		x	x				50
4		x		x			62
5		x	x	x			67

Impact on Road Surface Conditional Index (CI)

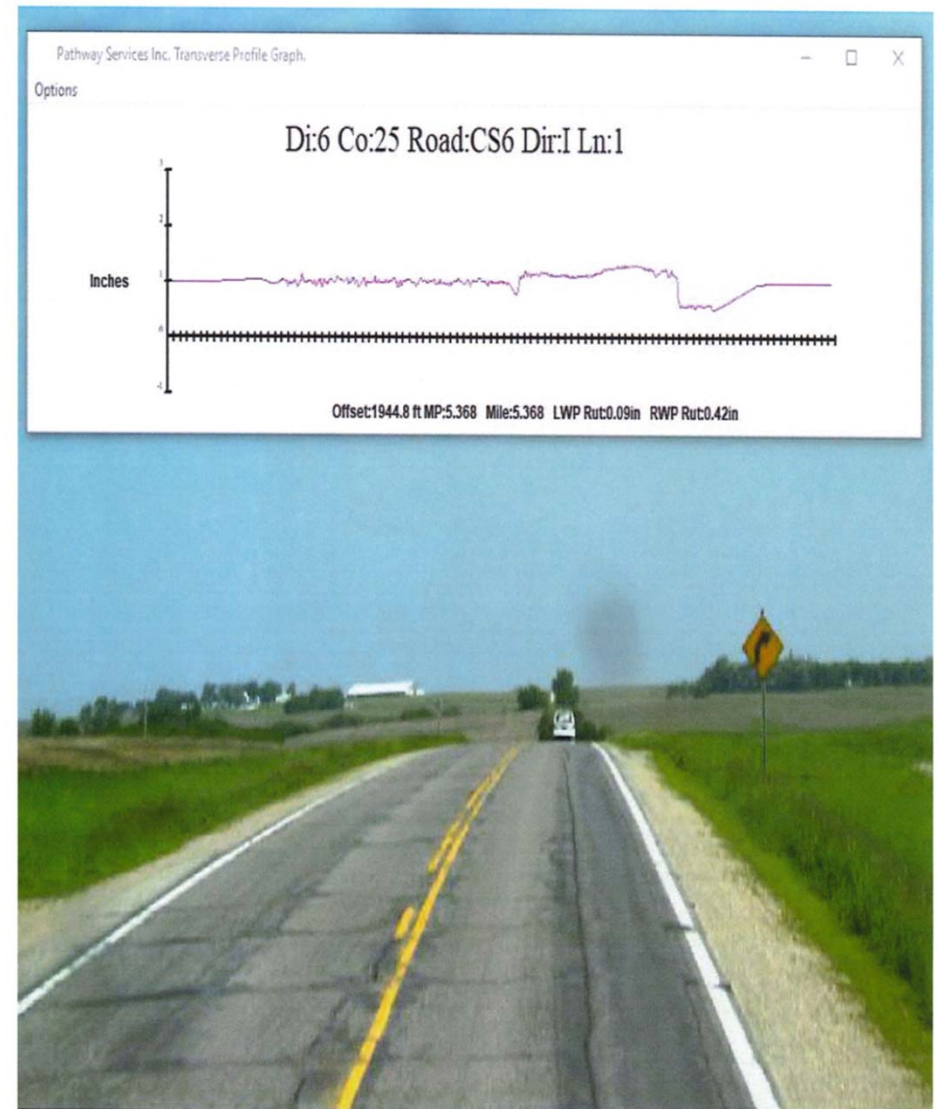
At Last year's funding level,
the average CI in 2027 would be 37.

CSAH 6 (in 2015)

South of CSAH 9

Repaved in 2016

CI = 38



Five-Year Program

Proposed Five Year Plan (2019- 2023)

Based on an additional annual \$2,000,000 of additional funding

2019 - 2023 PROPOSED 5-YEAR COUNTY ROAD PROGRAM w/ ADDITIONAL \$2,000,000 OF FUNDING										
YEAR	ROAD #	TYPE OF PROJECT	TERMINI	LENGTH	EST COST	FUNDING	YRLY SA BALANCE	ACCUM SA BAL		
2019	CSAH 12	SURFACING	FDR (WCL - TH 60)	4.2	\$1,260,000					
	CSAH 18	SURFACING	FDR (TH 61 - BR PAST CSAH 19)	1.88	\$1,128,000					
	CSAH 19	SURFACING	THIN OVERLAY	2.5	\$125,000					
	CSAH 14	CULVERT REPLACEMENT	CSAH 9 - TH 52	4.2	\$200,000					
	CSAH 24	GRADING	CSAH 25 - TH 19	1.1	\$3,100,000					
	CR 44	REPLACE BR L0521	(State Bridge Bond \$\$\$ If Available)		\$395,000					
			TOTAL 2019 PROJECT COSTS		\$6,208,000					
			BALANCE FORWARD				\$2,630,831			
			STATE AID				\$3,723,952			
			LOCAL				\$1,500,000			
			ADDITIONAL FUNDING				\$2,000,000			
							\$9,854,783	\$3,646,783	\$3,646,783	
2020	CSAH 6	GRADING	TH 58 - 435TH STREET	1.3	\$1,755,000					
	CSAH 14	SURFACING	FDR (CSAH 30 - TH 52)	12.4	\$3,720,000					
	3rd Avenue	REHAB BR L5391	CANNON FALLS		\$1,500,000					
	CSAH 24	SURFACING	FDR (CSAH 9 - BR)	6.0	\$1,800,000					
				TOTAL 2020 PROJECT COSTS		\$8,775,000				
				STATE AID				\$3,723,952		
			LOCAL				\$1,700,000			
			ADDITIONAL FUNDING				\$2,000,000			
			FEDERAL				\$1,500,000			
							\$8,923,952	\$148,952	\$3,795,735	
2021	CSAH 2	GRADING	WEST FLORENCE TRAIL - TH 61	1.9	\$2,565,000					
	CSAH 6	SURFACING (CONC)	INITIAL PAVEMENT (TH 58 - 435TH STREET)	1.3	\$845,000					
	CSAH 6	SURFACING (CONC)	OVERLAY (CSAH 1 - TH 19)	4.9	\$2,450,000					
	CSAH 8	NEW INTERCHANGE	INTERCHANGE AT TH 52		\$2,000,000					
	CSAH 14	GRADING & DISCONNECT	TH 52 - CSAH 24		\$4,000,000					
	CR 45	REPLACE BR 25502	(State Bridge Bond \$\$\$ If Available)		\$550,000					
			TOTAL 2021 PROJECT COSTS		\$12,410,000					
			STATE AID				\$3,723,952			
			LOCAL				\$1,900,000			
			ADDITIONAL FUNDING				\$2,000,000			
			FEDERAL				\$7,623,952	-\$4,786,048	-\$990,313	
2022	CSAH 2	GRADING	CSAH 5 - WEST FLORENCE TRAIL	2.9	\$3,915,000					
	CSAH 8	SURFACING	FDR (CSAH 1 - TH 57)	4.4	\$1,320,000					
	CR 57	REPLACE BR L0546	(Federal \$\$\$)		\$650,000					
				TOTAL 2022 PROJECT COSTS		\$5,885,000				
			STATE AID				\$3,723,952			
			LOCAL				\$2,100,000			
			ADDITIONAL FUNDING				\$2,000,000			
			FEDERAL				\$520,000			
							\$8,343,952	\$2,458,952	\$1,468,639	
2023	CSAH 2	SURFACING (CONC)	INITIAL PAVEMENT (CSAH 5 - TH 61)	4.8	\$3,120,000					
	CSAH 21	SURFACING (CONC)	CONCRETE PVMT (HIGH SCHOOL - TH 61)	4.4	\$2,860,000					
	CSAH 7	SURFACING	FDR (TH 19 - WELCH)	5.6	\$1,680,000					
	CSAH 25	SURFACING	FDR (CSAH 1 - CSAH 20)	6.8	\$2,040,000					
			TOTAL 2023 PROJECT COSTS		\$9,700,000					
			STATE AID				\$3,723,952			
			LOCAL				\$2,100,000			
			ADDITIONAL FUNDING				\$2,000,000			
							\$7,823,952	-\$1,876,048	-\$407,409	

Funding Sources

(County Does not control)

Federal Aid Transportation Funding

Surface Transportation Program, Highway Safety Improvement Program, and Transportation Alternatives Program

Apply for Competitive Grants

State Bonding Programs

Local Bridge Replacement Program, Local Road Improvement Program,

Safe Routes to School Program,

Comprehensive Highway Safety Improvement Program

Wetland Replacement Program,

TED, SAM, CoC CIMS

Apply for Competitive Grants

State Aid Funding

from the **Highway User Tax Distribution Fund (HUTDF)**

Revenue from ***state gas tax, vehicle registration fees, and motor vehicle sales tax***

Increase of \$266,000 in 2018 and \$287,000 in 2019 for GC

Increased for 2020 could go to \$658,000 if legislative authority remains

Counties receive 29% of 95%.

CSAH Construction: \$4,094,505

Maintenance: \$2,729,670

Funding Sources

(County Board Controls)

Aggregate Material Taxes

42.5 percent of the proceeds collected go to the county road and bridge fund

~\$69,000

Local Property Taxes

PW Levy - \$4,126,069

Construction - \$1,300,000

Local Option Wheelage Taxes

\$10 per registered vehicle. = ~ \$510,000

Could double to \$20 in 2018.

Optional Transportation Sales Taxes

~\$2,000,000

Wheelage Tax

- Currently at \$10 / vehicle / year
- Paid with State Tab Fees
- Generates \$510,000
- Could double to \$20 / vehicle / year
- Generate another \$510,000 or an additional \$1,530,000 over three years
- Notify Department of Revenue by August 1st for implementation on January 1st of following year
- Paid by citizens who have vehicles registered in Goodhue County
- No impact to the levy

Raise Property Taxes

- County taxpayers pay the full costs of highway projects through local property taxes
- The Board determines the level of transportation funding
- County property owners cover 100% costs
- Direct Impact to the County budget and levy

Issue Bonds

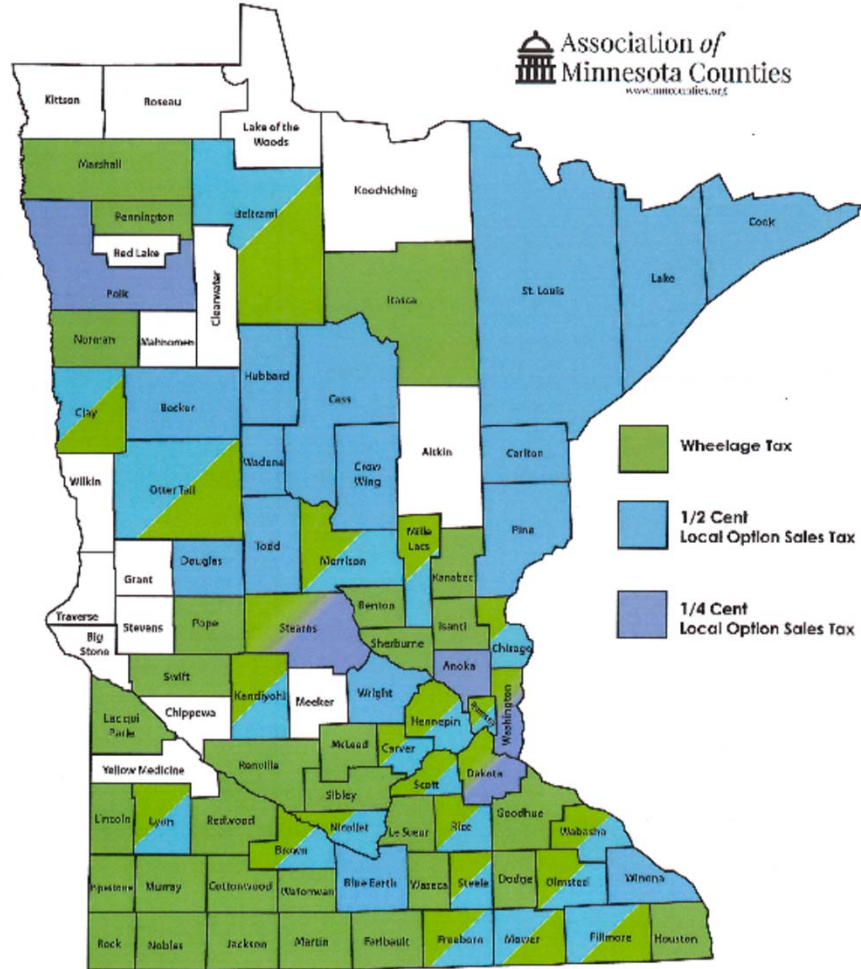
- Costs taxpayers additional property tax revenues due to issuance costs and interest.
- The Board determines the level of transportation funding to borrow.
- County property owners cover 100% of initial and additional costs.
- Impacts the local levy budget for years.

Local Option Sales Tax

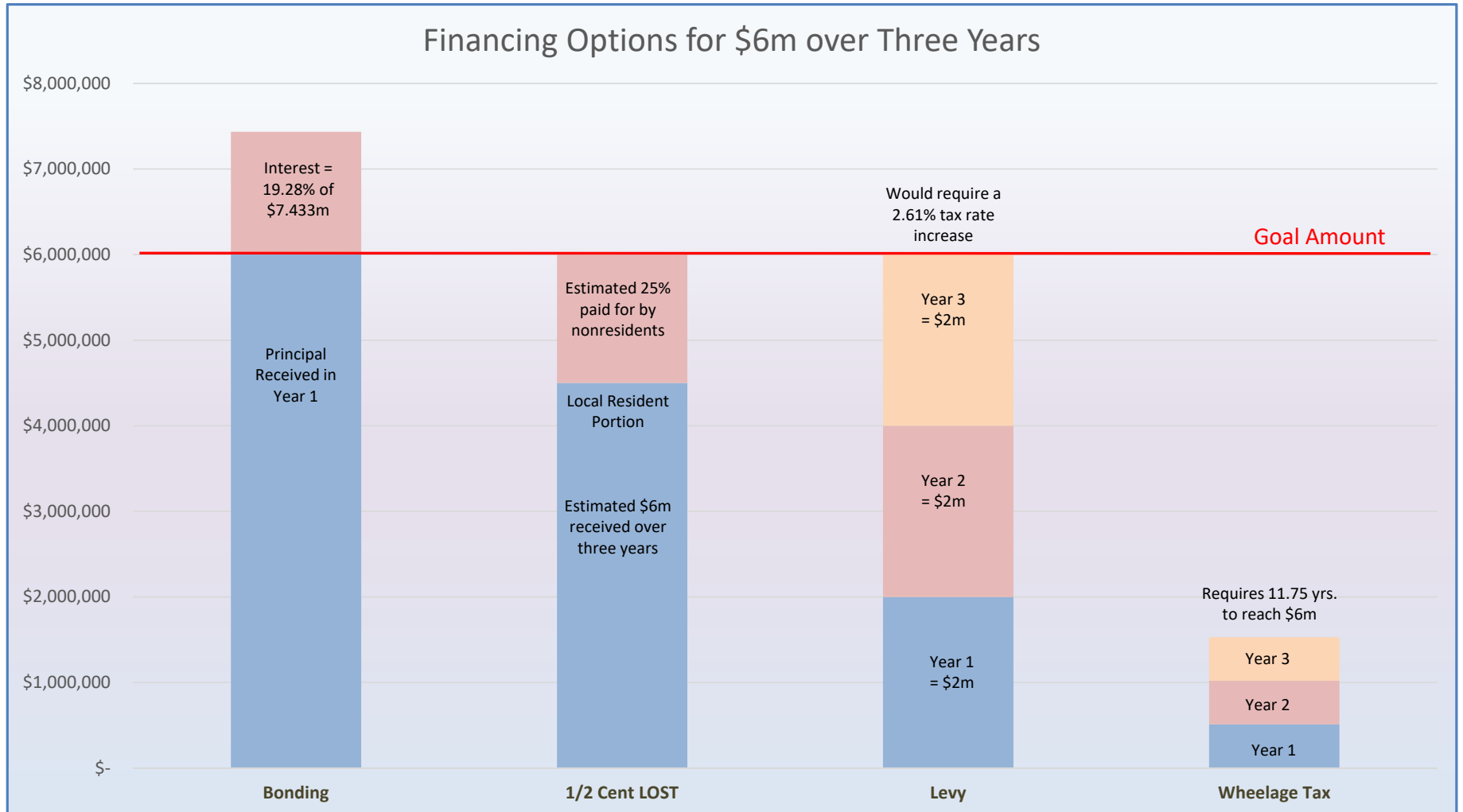
- Transportation construction funds are generated with each transaction subject to the State's Sales Taxes.
- Non County citizens contribute to the construction of County highway projects with each of their transactions occurring in the County.
- ½ cent LOST could generate ~\$2,000,000 / year
 - or \$6,000,000 in 3 years.
- Funds can only be used on projects included in the Board's enabling resolution.
- Has no impact on the County Property Tax levy.

Local Option Taxes for Transportation

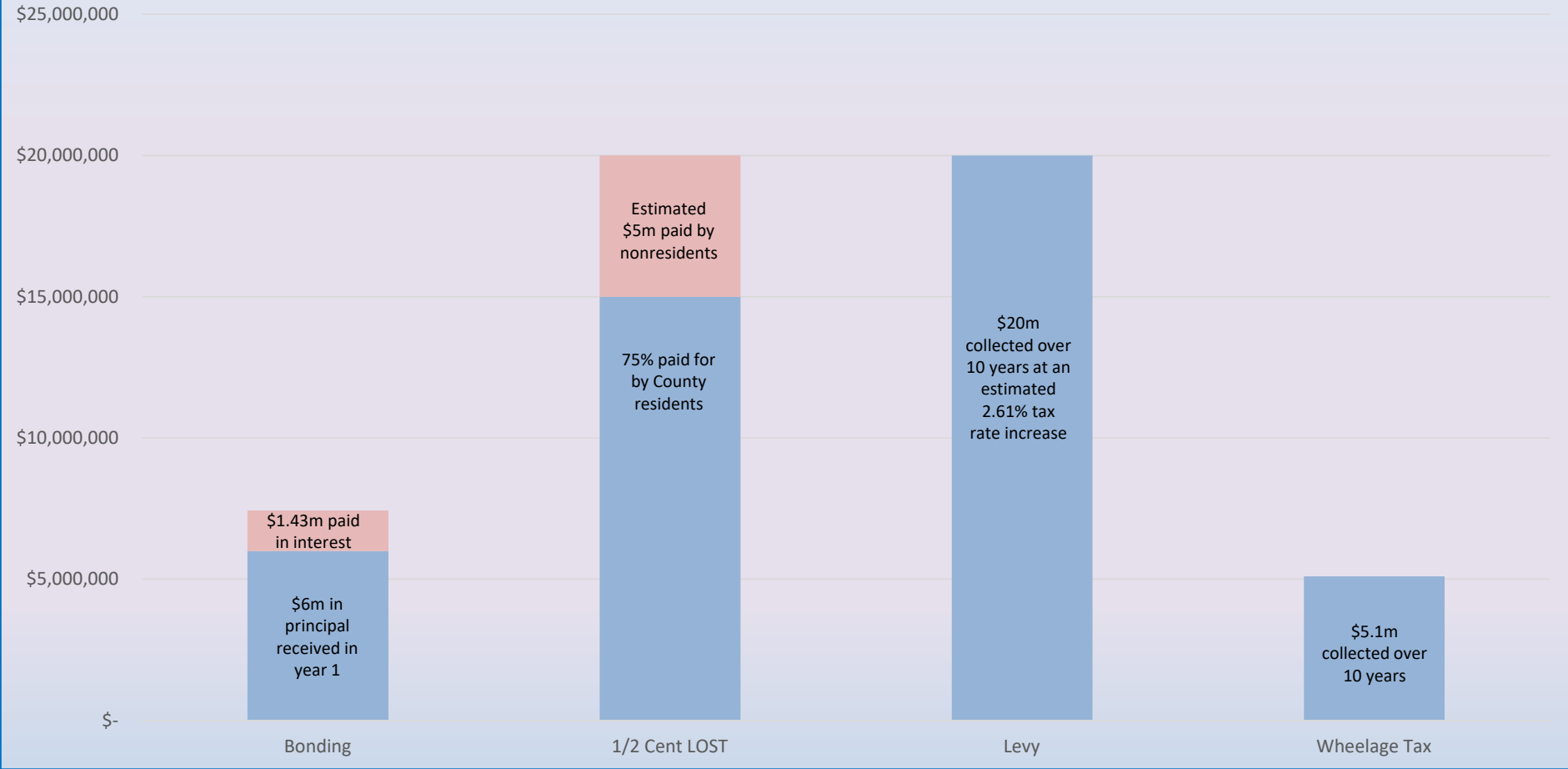
February 2018



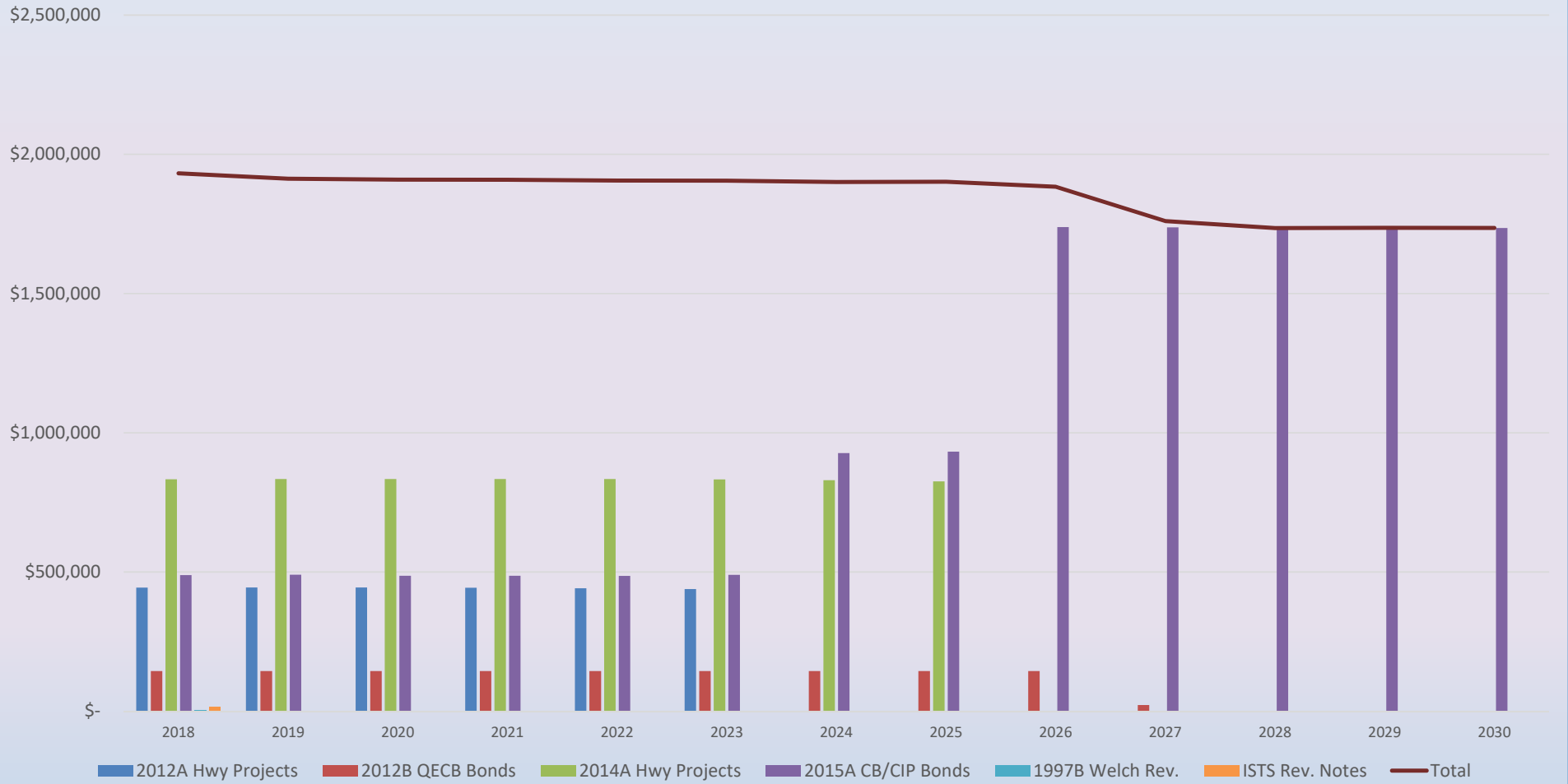
Financing Options for \$6m over Three Years



Financing Options for 10 Years



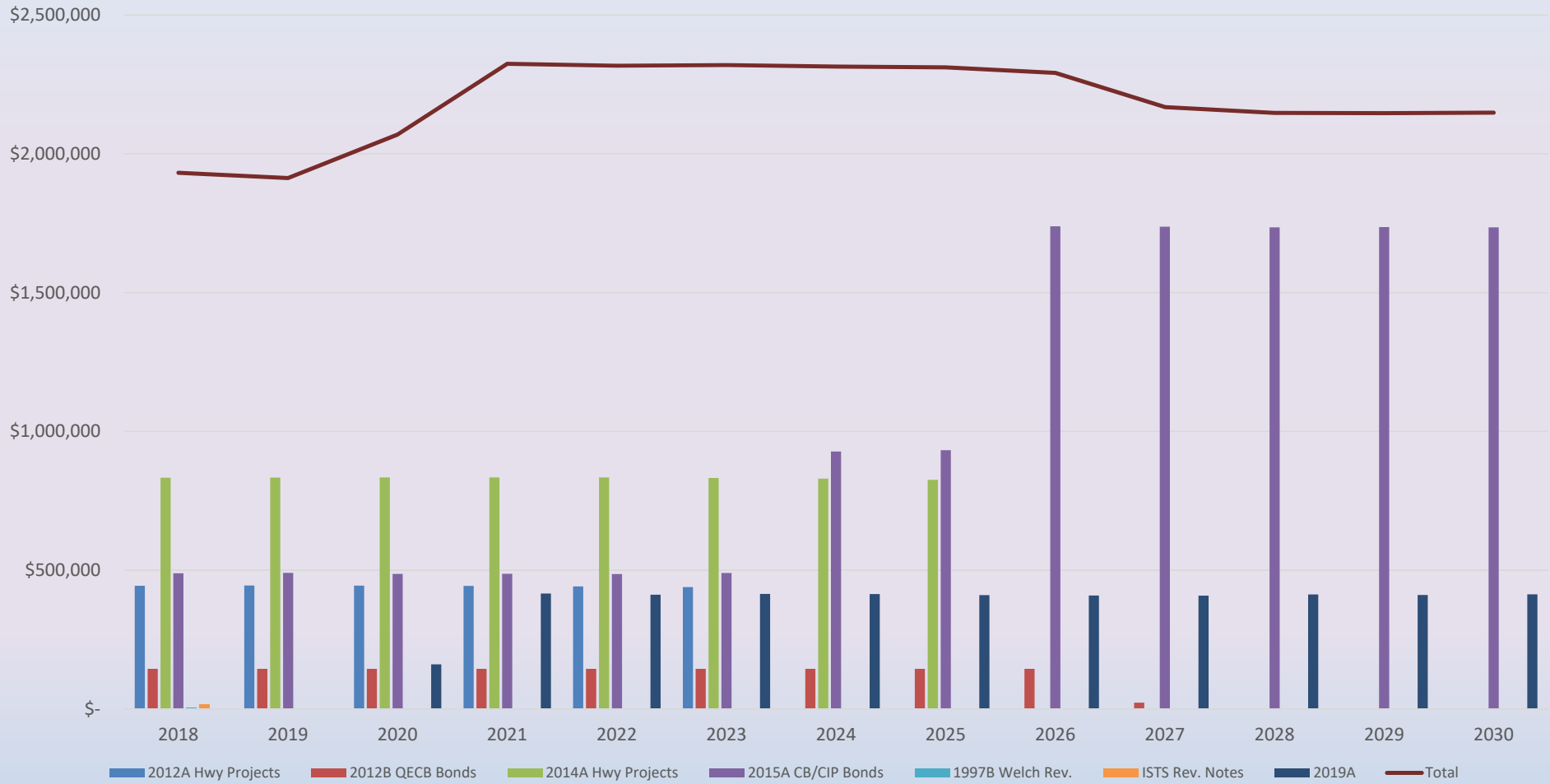
Current Debt Payment Structure



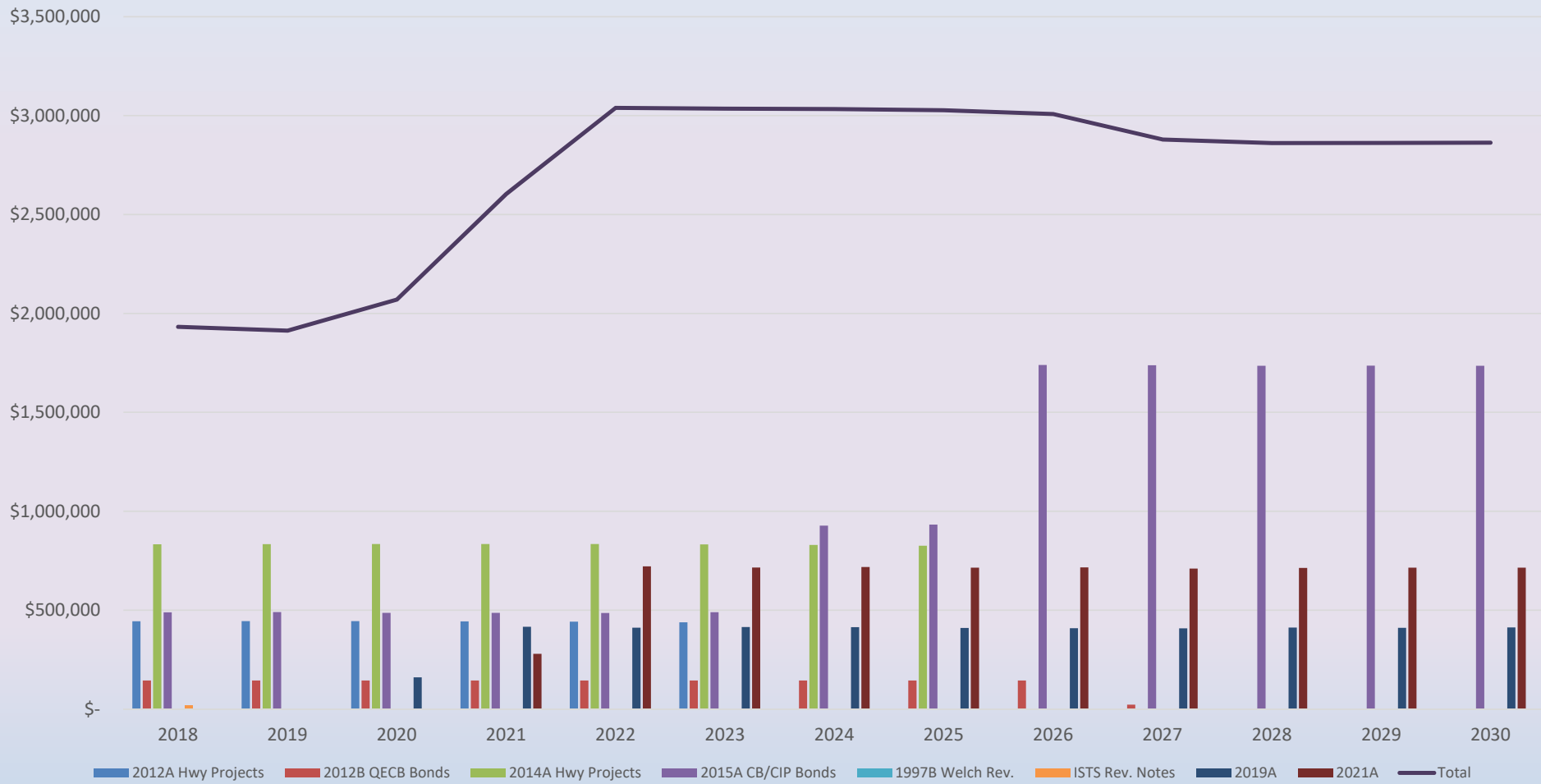
Estimated Debt Payment for \$6m Road Improvements



Estimated Debt Payment for \$3.5m Landfill and Roof Repair



Estimated Debt Payment for Road Maintenance, Landfill, and Roofs at \$9.5m



Conclusion

- Current funding sources are inadequate to rebuild the County's road and bridge system resulting in a back log of projects
- The County Board has no control over Federal or State actions concerning transportation funding
- Options to consider to Raise \$6 million for TH 52 Related Projects in 2021:
 - Increasing the Wheelage tax up to \$20 alone is **not a viable option** to meet this goal as it would only generate 25% of additional funds required.
 - Raise the local levy to increase funding of road and bridge construction projects.
 - Implement the Local Option Sales Tax (Public Hearing Required).
 - Issue bonds for construction revenue.
 - Take no action and watch the Conditional Index of the County Highway system deteriorate.
 - Non-County visitors help pay for a portion of the cost of a construction project with the local option sales tax. Only County citizens pay for the whole cost of a construction project using levy funds. County citizens pay more than construction costs for a project funded with bond revenues.

Conclusion

The County Highway System will deteriorate without additional Funding.

Keeping the local funds at the rate approved in January along with additional wheelage and the local optional sales tax should keep the system's average condition index steady over the next ten years.

What legacy does this board wish to leave?

Non-County visitors help pay for a portion of the cost of a construction project with the local option sales tax.

Only County citizens pay for the whole cost of a construction project using levy funds.

County citizens pay more than construction costs for a project funded with bond revenues.