ROAD REPORT:
A SURVEY OF MINNESOTA'S COUNTY HIGHWAY ENGINEERS

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June 26, 2008
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Key Findings & Recommendations

Key Findings

• County roads in Minnesota comprise 45,000 centerline miles, one-third of the entire state network and nearly four times as extensive as trunk highways, which get twice as much state user funding.

• Nearly three-quarters of county engineers surveyed say the roads and bridges they maintain have deteriorated in the past decade as costs and traffic demands have risen while state support has stagnated.

• The falloff in county road and bridge quality and safety has persisted despite a doubling of local property taxes dedicated to roads and bridges in 10 years, to an estimated $1.6 billion in 2006.

• Counties also have done unprecedented borrowing, reduced road maintenance and snow plowing, and closed routes.

• 4% of county engineers surveyed say they have even returned 20th century paved roads to 19th century style gravel or dirt roads.

• New state-level road and bridge financing enacted this year over Gov. Tim Pawlenty’s veto will ease the situation somewhat, but “not enough to make a real difference.” More than 92 percent of county engineers surveyed said the revenue increases won’t allow them to meet their transportation goals.

Recommendations

• The state should adopt recommendations of the Minnesota County Engineers Association, particularly:

  • Inflation indexing of the gasoline tax, which lost nearly half its buying power in the 20 years between the two most recent increases.

  • Authority for counties to levy annual wheelage taxes of up to $20 per vehicle for roads and bridges.

  • Some form of road impact fees to defray a fair share of the actual costs of real estate development and heavier truck traffic on county roads.

  • Increased state general obligation bonding to repair or replace aging local bridges.
Despite sharp increases in property taxes for transportation, the condition of most county roads and bridges across Minnesota has deteriorated in recent years, a new Minnesota 2020 survey of county engineers shows.

The engineers are responsible for 45,000 miles of roads, one-third of Minnesota’s entire network and nearly four times more extensive than the state trunk highway system, which gets twice as much state user funding. Their survey responses paint a dismal picture of vital but aging transportation infrastructure losing ground to steep increases in materials costs, heavier traffic demands and decades of inadequate public investment.

Nearly three-quarters of the respondents said the condition of their counties’ roads and bridges has gotten worse over the past 10 years. And that can choke economic development, cut into personal and business mobility and, worst of all, pose the kind of safety hazard brought into shocking focus by last year’s deadly collapse of the Interstate Hwy. 35W bridge in Minneapolis.

Even Minnesota’s first road and bridge funding boosts in 20 years, enacted over Gov. Tim Pawlenty’s veto in February, aren’t adequate to meet the transportation goals of 92 percent of the counties, the survey found. So to balance the books, counties are continuing to raise property taxes, borrow funds, reduce maintenance and snow plowing, close routes and even return paved roads to gravel or dirt.
“Current funding levels allow for the reconstruction of the road system once every 200 years,” said
one respondent to the survey. “Roads do not last 200 years.”

The online survey was conducted April 21 through May 22 in cooperation with the Minnesota County
Engineers Association. In all, 56 of the state’s 87 county engineers, or 64 percent, responded.

Responses were collected anonymously, but one survey participant signed his name to this comment:

“The Minnesota road cost index went up 89 percent between 1996 and 2006,” wrote Kandiyohi
County Engineer Gary Danielson, the state association’s county engineer of the year for 2007. “Our
bituminous wear cost increased by 153 percent over the same period. Actual road buying-power
calculations aren’t real complicated.”

Over the same period, 1996-2006, state aid to county roads and bridges increased just 34 percent.
Meanwhile, according to “The End of the Road,” a March 2007 report from the Minnesota County
Engineers Association and state municipal and public works groups, property taxes for roads and
bridges approximately doubled – a 100 percent increase.
According to the survey, state and federal road aid to counties from user sources went up only 16 percent over the past 10 years. A few engineers even reported reduced state and federal contributions. One said that while state funding is up from 10 years ago, it’s down in the past four.

“In at least the last 12 years, we have not received any federal funds for roads,” said another engineer.
None of this came as a surprise to Dave Robley, the Douglas County engineer and president of the Minnesota association, which has lobbied for years, with little success, for more resources.

“The overall impression is that the condition of our roads is getting worse,” he said. The ongoing funding shortfall “was pretty well known in the transportation community even before the bill was passed.”

In January, the county engineers’ association formally adopted a platform calling for $1 billion a year in new road and transit funding statewide, including a 10-cents-a-gallon gasoline tax hike over two years plus inflation indexing of the tax, road impact fees and $20-per-vehicle county-option road taxes. A month later, the Legislature passed a plan that is one-third smaller, with an 8.5-cent gas tax increase over four years and none of the other provisions.

“The increase in state aid will help, but it is not enough to make a real difference,” said one respondent.
In an interview, longtime Nicollet County Engineer Michael Wagner said the legislative package will add $300,000 to his county’s funding next year. “That’s split 40 percent for maintenance, 60 percent for construction,” he said. “And that’s not much of a project. A mile of two-lane reconstruction is like $1 million now.”

To rebuild Nicollet County Rd. 5 from St. Peter to Fort Ridgely State Park, Wagner said, the county board issued $13 million in bonds, a first for roads in his 34 years as county engineer. “They usually do that for a jail or government center,” he said. Property taxes will pay off the borrowing. Statewide, local property levies already support roads and bridges to the tune of $1.6 billion a year – about equal to state and federal gas taxes and state vehicle sales and registration taxes combined.

But even if state and federal highway user funding lags, local officials understand the importance of good roads for the rural economy, Wagner said. “Farmers have to be able to move their products, animals and fertilizer all four seasons, no matter what,” he said. “Farms aren’t competitive without good roads.”

That view was seconded by Tom McRoberts, director of the Center for Small Towns at the University of Minnesota-Morris. “A sound transportation system is of enormous importance,” he said. “We’ve seen the lack of attention and decaying of infrastructure that has been historically so important to us.”
A Bridge too Crooked

The story is much the same in the Twin Cities area. The April 25 closing of the 103-year-old Lowry Avenue Bridge over the Mississippi River north of downtown Minneapolis will cost the public $18 million a year in wasted travel time and fuel until it can be replaced, hopefully by late 2010, said Hennepin County Engineer Jim Grube.

“The people need to be served, and that bridge is an important link for northeast Minneapolis to the trauma center at North Memorial Medical Center,” Grube said. “It’s also vital for the Port of Minneapolis, a few blocks north of the bridge.”

As a county bridge, the Lowry isn’t part of the Minnesota Department of Transportation’s newly stepped-up plan to repair or replace 120 state trunk highway bridges over the next decade. So county officials are scraping to raise $110.5 million in hopes of starting construction early next year. Nearly $40 million has been pledged from county and state coffers so far, partly by dedicating fully half of $50 million in new statewide local bridge bonding to the project. It’s hoped the federal government will supply the rest.

The Lowry bridge, built in 1905, had to be closed because one of its mid-river support piers had tilted more than a foot out of vertical alignment, creating what the county called “an unreasonable risk to the traveling public.” And that forces 15,300 vehicles a day to make at least a 3-1/2-mile detour to cross the river.

Meanwhile, Hennepin County is also struggling to keep up 2,000 lane-miles of numbered county roads, mostly four-lane arterials, and 140 other bridges. Despite generous infusions of property tax money, barely half of that system is in good or better condition, Grube said. The county’s goal of two-thirds of lane miles in good shape – which would depend on more overlay projects -- looks increasingly unattainable under current funding and soaring asphalt prices, he added.

New state revenues will allow a bit more road building in Minnesota’s most populous county, Grube said, “but it’s inadequate when you look at what we’re confronted with.”
Falling Behind Less Quickly

That’s the consensus of county engineers across the state. In the Minnesota 2020 survey, four out of five said the phased-in hikes in state aid for county roads over the next four years will still lag behind inflation in materials costs. About two in five said the revenue increases – estimated at 14 percent for rural areas, 18 percent for the traffic-clogged Twin Cities – will help them catch up with deferred maintenance. Only 6 percent expected to receive enough to make needed expansions.

Others volunteered that they would now be able to reduce property taxes, pay higher fuel costs, repay advanced funding and, most poignantly, “fall behind less quickly.”

Asked to estimate how much more state funding is needed for county roads and bridges, the engineers’ responses averaged a 49 percent increase. That could be achieved if the state authorized all counties to levy per-vehicle wheelage taxes and if gasoline taxes were indexed to inflation, proposals both advanced by the county engineers association.

So far, the Legislature and governor have refused to do that. To make matters worse, this year they placed caps on property tax increases by local governments. In many counties, that may mean an end to growth in tax collections for roads and bridges, now accounting for more than 40 percent of local property levies, according to “The End of the Road.”
For example, Grube said, the Hennepin County Board plans to hold the line on property taxes for roads and bridges while devoting its narrowed taxing authority to health and human services and other priorities.

“In the 1970s, we used to expect that a highway in need would be taken care of,” said Wagner, who is retiring this month after 34 years as Nicollet County engineer. “We expected MnDOT to start building. Need doesn’t have anything to do with it anymore. Now it takes political pressure. You have to get Washington more involved.”

The Minnesota County Engineers Association has proposed indexing the state gasoline tax for inflation and allowing counties to levy road impact fees on real estate development and heavy trucks and annual wheelage taxes of up to $20 per vehicle.

It’s time for Minnesota policymakers to heed the warnings of those who know best the deficiencies and needs of one-third of the state’s roads and bridges – county engineers. These dedicated public servants, who generally prefer to steer clear of politics, have watched the system crumble and have started to advocate for the resources to restore it to the excellence that fueled Minnesota’s prosperity in the past.