

## Finance and Commerce

### Disaster relief bill seeks \$79 million for road repairs

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An unidentified man rides a motorcycle through the floodwaters of the St. Louis River as it flows over the washed out pavement of Minnesota Highway 23 on June 22 in the Fond du Lac neighborhood in Duluth. (AP file photo: Duluth News Tribune)

As the state Legislature takes up a \$167 million [disaster relief package](#) Friday, some transportation repairs stemming from the floods and high winds that struck northeast Minnesota last June are moving along.

More permanent fixes, however, will take awhile.

Scott Peterson, director of the Minnesota Department of Transportation's Office of Government Affairs, said that some repairs will be finished by winter but that more extensive projects won't be done until next summer at the earliest.

[Highway 210](#) near Jay Cooke State Park, for example, suffered the worst damage. The area, which has experienced several washouts, requires further assessment including whether it should be rebuilt on a new alignment, he said.

Other sites that may require extra time include the area near the Highway 23 Bridge at Mission Creek in Duluth and Highway 61 at the Silver Creek tunnel, Peterson said.

The relief package, which includes help for businesses and individuals, would be paid for with a combination of bonding, state budget reserves and unspent money from previous disaster relief appropriations.

It offers [\\$79 million for transportation-related projects](#), including:

- \$3 million for operations and maintenance, to pay for work MnDOT did immediately after the storms, like setting up detours and moving debris;
- \$11 million for "program planning and delivery," which includes engineering and design of permanent, long-term repairs;
- \$30 million in matching funds for repairs of local roads and bridges that are eligible for federal emergency aid;
- And \$35 million for construction costs of the permanent repairs to the trunk highway system.

MnDOT is adding \$20 million in existing appropriations to the \$35 million, bringing the total construction cost for permanent repairs to state trunk highways and bridges to \$55 million, according to Peterson.

To speed up the repairs, MnDOT is adding work to existing contracts, shortening advertising periods for bids, and obtaining materials in advance so they're on hand when the contractor comes on board, he said.

Typically, he said, the contractor would be responsible for securing the materials and getting them to the site.

MnDOT has ordered a \$310,000 custom-made culvert for Highway 210. Crews will assemble the 250-foot-long culvert on site in about 50 sections and that work is expected to wrap up by mid-October, according to MnDOT's website.

Pavement damage near the [Thomson Bridge](#) on Highway 210 will be fixed as part of an existing bridge rehab project that began in June. An addendum has been added to that contract.

Other emergency contracts include installation of a 12-foot diameter culvert at Highway 210 to allow access to a Minnesota Power generating station, and for safety improvements and damage control pending more permanent repairs.

Michael Kalnbach, a MnDOT District 1 project manager, said the typical bid letting process takes three to five weeks, but the expedited process gets it done in three to five days.

After the flood, the department notified contractors in the area by "mass email" to give them a heads-up about the expedited bid letting, he said.

So far, about half a dozen projects have been let that way; three or four more will be out in the next week and more after that, Kalnbach said.

Speeding up the process is important because winter is coming and some of the culvert repairs involve trout streams. The Minnesota Department of Natural Resources has restrictions on when the work on the streams can be done, he said.

Some money was freed up for disaster relief by redirecting un-used appropriations dating to 2007 and 2010. In 2007, for example, \$5 million was appropriated for flood relief and only half of that was used, Peterson said.

MnDOT doesn't know exactly how much it will cost to complete all the repairs.

At an Aug. 15 legislative hearing, state Rep. Mary Liz Holberg, R-Lakeville, questioned why \$82 million (the governor's proposal at the time) was being directed to MnDOT when the repairs costs are still unknown.

"You don't want to be in a situation where you say all [\$82 million] is going to go to this area and then if the bids come in at \$65 million, then that \$15 million might be better spent in another district," Holberg [said last week](#).

Peterson said Thursday that if the bids come in lower "we will probably go through a process like we did with those two other cancellations" in 2007 and 2010.

Further analysis and engineering needs to be done before it's possible to get a precise cost estimate for some of the bigger projects, Peterson added. But the \$55 million estimate on the trunk highway system is "reasonably close," he said.

The disaster relief bill also includes \$18.855 million for natural resources, \$12.5 million for the Board of Water and Soil Resources, \$12.72 million for housing finance, \$25.975 million for public safety, and \$15 million for the Minnesota Department of Employment and Economic Development.

Monte Hanson, a DEED spokesman, said cities and counties would apply for the DEED money and those jurisdictions in turn would distribute it to affected businesses in their area.

The communities would give out the funding in the form of 10-year, no-interest loans to the businesses and half the loan would be forgiven in five years if the business is still operating there.

Hanson said the money can only be spent on physical assets, like building repairs or new fixtures or equipment. Economic losses resulting from the business being closed down because of the storm damage are not eligible.