



Media Contacts:

Darin Broton
952-851-7286
dbroton@tunheim.com

For Immediate Release
October 24, 2011

Business and Community Leaders Encourage Transportation to Play a Significant Role in Minnesota's Jobs Creation Plan

Every dollar spent on infrastructure generates \$1.60 in new economic growth

ST. PAUL, MINN — Community and business leaders across Minnesota joined together today and encouraged state policymakers to include transportation initiatives in any job creation plans for 2012 and beyond. Supporters believe a mix of reforms and new investments can accelerate projects and cut overall costs. The announcement comes the day before Governor Mark Dayton convenes a statewide jobs summit to address issues facing Minnesota's economy.

For Minnesota to be a strong, competitive state that is the leader in the Midwest, attracting and retaining businesses, we need a bold plan for a transportation system that will meet the needs of the state for decades to come.

According to Moody's and the Congressional Budget Office (CBO), every dollar spent on infrastructure generates approximately \$1.60 in new economic growth. The CBO also found that infrastructure investments are the most cost-effective forms of government spending in terms of the number of jobs created per dollar of budgetary cost. Additional reports have concluded that three out of 4 jobs created by infrastructure projects are in the construction and manufacturing sectors.

To help foster short-term job creation and long-term economic development, the Minnesota Transportation Alliance (MTA) unveiled its *Roadmap to 2040*, a comprehensive, multi-modal, long-term transportation plan for Minnesota. *Roadmap to 2040* includes a comprehensive inventory of roads, bridges, freight rail, transit, ports and airport infrastructure needs throughout Minnesota, innovative solutions re-designing how transportation services and projects are planned and delivered and an a la carte of options to increase transportation funding options. According to the report, Minnesota's roads, airports, and water ways are aging, and reaching a critical point in their life and require major investments. The cost of infrastructure projects increase 10 percent every year a project is delayed.

"Minnesota's roads, bridges, rail lines, ports and airports move goods, services and people across the state," said Margaret Donahoe, executive director of the Minnesota Transportation Alliance (MTA). "Today, we struggle to move goods and services to market because of crumbling bridges, congested roadways and obsolete ports. The cost of delaying these projects further will risk putting our state behind further in the economic recovery, subject future taxpayers to additional costs, and prevent getting hardworking Minnesotans back on the job."

For individual Minnesotans, the cost of doing nothing can be added up in vehicle repair costs and time and fuel wasted stuck in traffic. In 2009, Americans wasted 4.8 billion hours sitting in traffic at a cost

of \$115 billion. This drain on family budgets impacts our quality of life in Minnesota. For businesses, the lack of infrastructure investments reduces competitiveness. As of 2010, the loss of Gross Domestic Product (GDP) approached \$125 billion due to deficient transportation infrastructure. By 2040, our failing infrastructure will cost Americans nearly \$3 trillion which represents more than \$1.1 trillion in added business expenses.

In 2010, the cost to the average Minnesota commuter for traffic congestion was \$916.

REDESIGNING INFRASTRUCTURE PROJECTS

Today, government at every level is working to redesign the ways to delivery government services more effectively and efficiently. Minnesota can take innovative steps to improving highway safety and lowering the costs of construction. The report laid out several options, including:

- Better coordination and partnerships among the state and local governments to avoid duplication of effort
- Accelerating the permitting process for those permits related to transportation project construction
- In some instances, closing highways during construction, which can lower construction cost by nearly 20 percent and using design-build strategies, similar to those used in Highway 212 in Carver County and highway 52 in Rochester, to expedite projects
- Increase recycling of construction materials
- Employ new technologies like warm mix asphalt and prefabricated bridges

“Our parents and grandparents invested in our current transportation system that all Minnesotans use today and just like the baby-boom generation, our infrastructure is aging. If we don’t follow the footsteps of previous generations and plan for the needs of our children and grandchildren, they will inherit a transportation system that is outdated, dangerous and falling apart,” said Mike Laven, President Mankato City Council and member of the U.S. Highway 14 Partnership.

FINANCING TRANSPORTATION

Scarcity of funding means Minnesota’s transportation governance needs to become more efficient, coordinated, transparent and accountable. The *Roadmap to 2040* suggests a package of financing options to help jumpstart Minnesota’s construction industry and help foster long-term economic development opportunities. The *Roadmap to 2040* emphasizes that no one funding source or financing option will fund all transportation needs. Financing options include:

- Looking at tax loopholes and ensuring that all users of the system are contributing to its maintenance
- Leveraging funds through general obligation and trunk highway bonds. Interest rates are at historic lows right now.
- Indexing the state’s gas tax to the Consumer Price Index or Construction Inflation Index
- Surcharges on DWI and moving violations
- Fees from additional ‘HOT lanes’ or MN Pass lanes
- Dedicating the sales tax revenue from leased motor vehicle sales
- Allowing counties and cities to implement local option sales taxes and wheelage fees
- Extending the tax on fuel tank removal

“As a country the United States is annually investing about 1.7 percent of our GDP on transportation infrastructure while our competitors, including China and Europe, are investing nearly 9 percent. Minnesota’s future and its economy depends on a strong, interconnected transportation system to move products and people and this *Roadmap to 2040* provides a vision for how our state could and should look with needed strategic investments in our transportation system” said Donahoe.

Minnesota businesses have identified specific transportation improvements they need in order to improve their competitiveness or expand in the state. The legislature and the governor need to focus funds on making these transportation improvements happen.

We need to put people to work building the infrastructure that our businesses need. That's how we can turn the economy around and make Minnesota a prosperous, successful state in the long-run.

Roadmap to 2040 was created through the experience and expertise of members of the MTA, local government officials, engineers, planners and other community stakeholders. A full copy of the report is available online at www.transportationalliance.com.

###

About Progress In Motion

Progress In Motion is the public outreach arm of the Minnesota Transportation Alliance, focusing on education and advocacy with the public. Through the use of new and old media, PIM brings a strong message regarding the need for transportation investments to community leaders, editorial and blog writers, news reporters and the public.

About the Minnesota Transportation Alliance

Originally organized in 1893, the Minnesota Transportation Alliance is a statewide coalition of organizations advocating for a safe and effective transportation system that works for all Minnesotans. The Alliance includes local governments, businesses, labor, the transportation industry, transit systems, rail, waterways, and airports. In short, members are on the front lines, planning, designing, building and operating Minnesota's transportation system every day. More information about the Alliance can be found at: www.transportationalliance.com