Asphalt Pavement Association of Michigan
Annual Conference
Kimberly Avery, Bureau of Field Services Director
Michigan Department of Transportation
<table>
<thead>
<tr>
<th>Trunkline by Region</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Region Total</th>
<th>Five Year Ave.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bay</td>
<td>$112.4</td>
<td>$122.9</td>
<td>$109.9</td>
<td>$124.6</td>
<td>$99.1</td>
<td>$568.9</td>
<td>$113.8</td>
</tr>
<tr>
<td>Grand</td>
<td>$141.3</td>
<td>$102.9</td>
<td>$88.4</td>
<td>$92.5</td>
<td>$95.7</td>
<td>$520.8</td>
<td>$104.2</td>
</tr>
<tr>
<td>Metro</td>
<td>$236.8</td>
<td>$251.0</td>
<td>$193.1</td>
<td>$283.6</td>
<td>$387.8</td>
<td>$1,352.3</td>
<td>$270.5</td>
</tr>
<tr>
<td>North</td>
<td>$28.3</td>
<td>$46.6</td>
<td>$37.0</td>
<td>$55.7</td>
<td>$59.6</td>
<td>$227.2</td>
<td>$45.4</td>
</tr>
<tr>
<td>Southwest</td>
<td>$79.0</td>
<td>$115.8</td>
<td>$86.2</td>
<td>$104.6</td>
<td>$46.8</td>
<td>$432.4</td>
<td>$86.5</td>
</tr>
<tr>
<td>Superior</td>
<td>$66.8</td>
<td>$52.3</td>
<td>$51.1</td>
<td>$45.8</td>
<td>$69.3</td>
<td>$285.3</td>
<td>$57.1</td>
</tr>
<tr>
<td>University</td>
<td>$66.9</td>
<td>$80.4</td>
<td>$207.8</td>
<td>$71.1</td>
<td>$152.9</td>
<td>$579.1</td>
<td>$115.8</td>
</tr>
<tr>
<td>Program Total</td>
<td>$731.5</td>
<td>$771.9</td>
<td>$773.5</td>
<td>$777.9</td>
<td>$911.2</td>
<td>$3,966.0</td>
<td>$793.2</td>
</tr>
</tbody>
</table>
Pavement Condition Distribution

- Category I: (0-2)
- Category II: (3-7)
- Category III: (8-12)
- Category IV: (13-17)
- Category V: (18-22)
- Category VI: (>22)
MDOT Trunkline Fair (Category II) Pavement Comparison by Region
FY 2016 vs FY 2023

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statewide</td>
<td>46.8%</td>
<td>25.5%</td>
</tr>
<tr>
<td>Bay</td>
<td>41.3%</td>
<td>24.7%</td>
</tr>
<tr>
<td>Grand</td>
<td>39.6%</td>
<td>35.0%</td>
</tr>
<tr>
<td>Metro</td>
<td>51.3%</td>
<td>17.3%</td>
</tr>
<tr>
<td>North</td>
<td>48.7%</td>
<td>27.2%</td>
</tr>
<tr>
<td>Southwest</td>
<td>38.8%</td>
<td>27.0%</td>
</tr>
<tr>
<td>Superior</td>
<td>49.8%</td>
<td>23.7%</td>
</tr>
<tr>
<td>University</td>
<td>53.5%</td>
<td>15.8%</td>
</tr>
</tbody>
</table>
Network Information

- 30,000 Trunkline Lane Miles
- $2.7M Average cost to Reconstruct
- $720k Average cost to Rehabilitate
- $110k Average cost for Preventative Maintenance

2019 Projected HMA (TONS)/Concrete (SYDS)

- 1.7 M HMA (Tons)
- 1.0 M Concrete (SYDS)
FAST Act Update

- Enjoying inflationary funding increases
- Stable & predictable funding continues through FY 2020
- Long-term Highway Trust Fund Concerns
  - Annual funding deficit between $15-$20 billion
President’s Infrastructure Proposal

$1.5 trillion over 10 years
Only $200 billion in direct federal investments
Remaining $1.3 trillion from:
- Private sector investments
- Addition revenue from state & local governments
Includes all types of infrastructure
New flexibility for states to toll Interstate & commercialize rest areas
President’s Infrastructure Proposal

$100 billion – Infrastructure Incentive Initiatives
- Funding awarded competitively
- Most important evaluation criteria is how much non-federal $ is brought to bear
- 20% federal share
President’s Infrastructure Proposal

$50 billion – Rural Infrastructure Program
- 80% of funds provided to states by formula
- 20% awarded competitively
- Requires comprehensive rural investment plan
President’s Infrastructure Proposal

$20 billion – Transformative Projects Program

- Seeking exploratory & ground-breaking ideas
- Requires some of non-federal share to be equity investments
- Federal share could be higher than 20%
  - 50% for design & engineering
  - 80% for construction
President’s Infrastructure Proposal

- $14 billion for federal credit programs
  - TIFIA, WIFIA, RRIF, RUS
- $10 billion for federal capital financing programs
  - Aimed at projects on federal lands or federally-owned buildings
Comparison of FY 2018 Federal Funding with Additional Amount Proposed by President

FY 18 FAST Act Funding

- Highway: $44.2
- Transit: $9.7
- Various: $20.0

Annual Average Additional Funding from President's Proposal
- Various: $20.0
Headwinds Facing Infrastructure Proposal

- No funding identified to pay for proposal
- Busy Congressional agenda
  - FY 2018 budget
  - Immigration
  - Debt limit
- Lack of bipartisan spirit
2015 Michigan Revenue Package

1\textsuperscript{st} year of increased revenues is now complete
- 20\% vehicle-tax increase
- 7.2- & 11.3-cent/gallon gas & diesel fuel tax increases

From users’ viewpoint
- Daily auto user fee rose from $1.00 to $1.19/day
- Typical heavy-truck fees rose from 8.99 to 11.19 cents/mile
## Results

<table>
<thead>
<tr>
<th>User-Fee Increases by Fiscal Year (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
</tr>
<tr>
<td>$452</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>608</td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>613</td>
</tr>
<tr>
<td>2020</td>
</tr>
<tr>
<td>619</td>
</tr>
<tr>
<td>2021</td>
</tr>
<tr>
<td>625</td>
</tr>
<tr>
<td>2022</td>
</tr>
<tr>
<td>640</td>
</tr>
</tbody>
</table>
More to Come

Income-Tax Appropriation Begins Oct. 1, 2018 (in millions)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$150</td>
</tr>
<tr>
<td>2019</td>
<td>325</td>
</tr>
<tr>
<td>2020 &amp; later years</td>
<td>600</td>
</tr>
</tbody>
</table>

Possibly plus one-time General Fund money in FY 2018. Governor’s budget calls for extra $175 million for state & local roads, & mobility projects from state share.
### Total MTF Revenues by Fiscal Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$2,617,637,800</td>
</tr>
<tr>
<td>2018</td>
<td>2,785,900,000</td>
</tr>
<tr>
<td>2019</td>
<td>2,969,450,000</td>
</tr>
<tr>
<td>2020</td>
<td>3,175,800,000</td>
</tr>
<tr>
<td>2021</td>
<td>3,450,800,000</td>
</tr>
</tbody>
</table>
Major Initiatives

- Gordie Howe International Bridge
- American Center for Mobility
- Planet M
US-131 from 14 Mile to White Creek
20 and 30 year Designs
US-131 from 14 Mile to White Creek
20 and 30 year Designs

20 year, 8.5 million ESALs
- 1.75” 5E10 Top
- 3” 3E10 Level
- 4.5” 2E10 Base
- 6” Aggregate Base
- 18” Sand Subbase

30 year, 13.1 million ESALs
- 1.5” Gap-Graded Superpave Top
- 2.5” 4E30 Level
- 7.25” 3E30 Base
- 12” Aggregate Base
- 24” Sand Subbase
I-475 from Carpenter Rd to Clio Rd 20 and 50 year Designs
I-475 from Carpenter Rd to Clio Rd
20 and 50 year Designs

20 year, 4.1 million ESALs
1.75” 5E10 Top
2.5” 4E10 Level
3.5” 3E10 Base
6” Aggregate Base
18” Sand Subbase

50 year, 11.5 million ESALs
2” Gap-Graded Superpave Top
2.5” 4E30 Level
6.5” 3E30 Base
12” Aggregate Base
24” Sand Subbase
2020 Standard Specification for Construction Timeline

- Currently Under Development - Industry Represented
- Industry Preliminary Review Spring/Summer 2018
- Industry Impasse Topic Process Fall 2018 thru Summer 2019
- Targeted Publication Late 2019/Early 2020
- Tentative 2020 Spec Will be Effective October 2020 Letting
Thank You!