



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1001 (as reported without amendment)
Sponsor: Senator Jud Gilbert, II
Committee: Transportation

(as enacted)

Date Completed: 2-2-10

RATIONALE

The Michigan Department of Transportation (MDOT) is planning to expand the Blue Water Bridge plaza at the international crossing in Port Huron. Under the Selected Alternative approved by MDOT in May 2009, the existing plaza, which is elevated above Pine Grove Avenue, will be lowered to street level and expanded to accommodate larger traffic volume. Pine Grove Avenue will be rerouted to the west of the new plaza, and other local roads will have to be modified as well. Under the Michigan Transportation Fund law, Port Huron must pay 8.75% of the cost of rerouting those roads. The city's share of the expenses will be between \$500,000 and \$1.9 million, according to the project's Final Environmental Impact Statement, although a portion of those costs could be offset by the value of public land being taken to build the new plaza. Port Huron residents and city officials have objected to sharing those costs, since they are necessary to facilitate the plaza expansion, not to benefit the city itself. It has been suggested that the law be changed to excuse Port Huron from paying a portion of the construction costs associated with the plaza expansion.

CONTENT

The bill would amend the Michigan Transportation Fund law to require the Michigan Department of Transportation to bear the entire cost of projects related to an international border crossing in a city or village having a population of 25,000 or more and less than 40,000.

The law requires incorporated cities and villages to participate with MDOT in the cost of opening, widening, and improving State trunk line highways within cities and villages (and, subject to the approval of the Transportation Commission, streets that are or that are made connecting links of trunk line highways), according to a formula based on the city's or village's population.

In a city and village with a population of 25,000 or more and less than 40,000, 8.75% of the cost must be borne by the city or village, and the remainder must be borne by MDOT.

The bill would exclude projects related to international border crossing from that provision, instead requiring MDOT to bear the entire project cost.

MCL 247.651c

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The planned expansion of the Blue Water Bridge plaza will increase its size to 56 acres, occupying a large area in the middle of Port Huron and displacing many businesses and residents. The rerouting of Pine Grove Avenue and other streets is necessary only to accommodate the plaza expansion, and was not requested by local officials. The project, which has drawn substantial criticism from residents, will place serious burdens on the city, requiring

many homeowners and businesses to move, disrupting traffic flow with several years of construction, and making travel and commerce difficult. The new plaza was not designed to benefit the city or its residents, but rather to improve security and facilitate the flow of international traffic. Port Huron already is experiencing high unemployment and a declining population. Under these circumstances, it would be unfair to require the city to share in the cost of construction of this project. Since the expansion is being implemented at MDOT's request, it would be more appropriate for the Department to pay the full cost of construction and rerouting local roads and highways to accommodate the expanded plaza.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would reduce local unit expenditures by an indeterminate amount and have an indeterminate effect on State expenditures. No appropriations have been made regarding the project and the costs of the project are largely estimated, with one estimate of the cost for all aspects of local road work totaling \$88.5 million. Absent the bill, and depending on the aspects of the project affected by the bill, the local unit's share of those costs will be between approximately \$0.5 million and \$7.7 million. The bill's impact on the State would depend on whether the needed additional funds were added to any appropriation the Department would receive for the project or whether the Department would pursue this project by diverting funds from other projects.

Fiscal Analyst: David Zin

A0910\1001a

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.