



HB 1431
Senate Appropriations Committee
March 31, 2021

Chairman Holmberg and Members of the Committee,

My name is Justin Flack and I am the General Manager of Aggregate Industries located in Moorhead, MN. We provide concrete and gravel production/delivery services in 10 cities across the eastern 1/3 of ND. We employ upwards of 200 men and women across eastern ND and northwestern MN who take pride in building safe, long-lasting and resilient infrastructure throughout the state.

I am writing to support HB 1431. Capitalizing on today's low-interest rates for bonds is a sound, fiscal choice to finance much needed infrastructure expansion and improvement.

The North Dakota Legacy Fund is a one-time resource that is intended to benefit future generations. Utilizing interest income from the Legacy Fund to service bond debt would create the most long-term value if the project's longevity is evaluated for maximum performance. Requiring a minimum design life of 35 years or more and taking into consideration all costs to build and maintain the asset over its projected service life will ensure current and future North Dakota taxpayers will receive the greatest benefit for their investment.

I would like to add my support to an effort to strengthen HB 1431 by including language that would require the following:

- (1) For projects financed by bond method and with an engineer's estimate of \$5 million or more, life-cycle cost analysis shall be used to evaluate the total economic cost of a transportation project over its expected (35 year minimum) performance lifetime, and
- (2) data indicating that future repair costs associated with a transportation project frequently total more than half of the initial cost of the project, and that conducting life-cycle cost analysis prior to construction will help the North Dakota Department of Transportation identify and select the most cost-effective option, improving the economic performance and lowering the total cost of building and maintaining the project over its service life.

North Dakota does not currently require LCCA on public projects, but 38 other states utilize LCCA in some form to shape their transportation network investments.

I believe HB 1431 is a great opportunity for North Dakota to implement LCCA as requirement for projects funded by bond method and it will show the true value that LCCA can provide in achieving the goals of better governance, fiscal accountability and to maximize return on taxpayer investment.

Thank you for your time and consideration of this proposal. Working together today, we can improve our state's network of roads and bridges today for the benefit of future generations.

Sincerely

Justin Flack / General Manager, Aggregate Industries