



Report to the legislature on the

Community Destination Sign Pilot Program

January 2025

Prepared by:

The City of Two Harbors
522 First Avenue
Two Harbors, Minnesota 55616
Phone: 218-834-5631
Fax: 218-834-2674

The Minnesota Department of Transportation
395 John Ireland Boulevard
Saint Paul, Minnesota 55155-1899
Phone: 651-296-3000
Toll-Free: 1-800-657-3774
TTY, Voice or ASCII: 1-800-627-3529

To request this document in an alternative format, call 651-366-4718 or 1-800-657-3774 (Greater Minnesota).
You may also send an email to ADArequest.dot@state.mn.us



April 28, 2025

The Honorable Erin Koegel, Co-Chair
House Transportation Finance & Policy Committee
5th Floor Centennial Office Building
Saint Paul, Minnesota 55155

The Honorable Scott Dibble, Chair
Senate Transportation Committee
3107 Minnesota Senate Building
Saint Paul, Minnesota 55155

The Honorable Jon Koznick, Co-Chair
House Transportation Finance & Policy Committee
2nd Floor Centennial Office Building
Saint Paul, Minnesota 55155

The Honorable John Jasinski, Ranking Minority Member
Senate Transportation Finance & Policy Committee
2227 Minnesota Senate Building
Saint Paul, Minnesota 55155

Re: 2025 Community Destination Sign Pilot Program

Dear Legislators,

This report fulfills the requirements laid out in by [Minnesota Session Law 2019, 1st Special Session, Chapter 3, Article 3, Section 118](#). In 2014, the Two Harbors Community Destination Sign Pilot Program was established to enhance wayfinding within the city to destinations or attractions of interest to the traveling public; seven wayfinding signs were installed at locations along Trunk Highway 61 in 2016. The City of Two Harbors and the Minnesota Department of Transportation worked together to evaluate the effectiveness of this pilot program.

If you have any questions about this report, please reach out to Commissioner Nancy Daubenberger or you may contact Josie Tayse at josie.tayse@state.mn.us or at (612) 398-1168.

Sincerely,

Sincerely,

Patricia Nordean
City Administrator, Two Harbors

Nancy Daubenberger, P.E.
Commissioner

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Legislative Request

This report is issued to comply with [Minnesota Session Law 2014, Chapter 312, Article 11, Section 38](#) as amended by [Minnesota Session Law 2019, 1st Special Session, Chapter 3, Article 3, Section 118](#).

The legislation requires an evaluation report of a Community Destination Sign Pilot Program in Two Harbors. The pilot program required installation of signs including the city name and logo and attractions or destinations for wayfinding within the city. The attractions and destinations include minor traffic generators and retail services specified by business name. The required evaluation includes:

- Analysis of traffic impacts
- Costs and expenditures
- Utility to motorists and tourists
- Extent of community support
- Pilot program termination or continuation

SESSION LAW 2014, CHAPTER 312, ARTICLE 11, SECTION 38, AS AMENDED

Subdivision 1. Definitions

- (a) For purposes of this section, the following terms have the meanings given.
- (b) "City" means the city of Two Harbors.
- (c) "General retail services" means a business that sells goods or services (1) at retail and directly to an end-use consumer, and (2) that are of interest to tourists or the traveling public.

Subdivision 2. Pilot program established

- (a) In consultation with the city of Two Harbors, the commissioner of transportation shall establish a community destination sign pilot program for wayfinding within the city to destinations or attractions of interest to the traveling public.
- (b) For purposes of Minnesota Statutes, chapter 173, signs under the pilot program are official signs.

Subdivision 3. Signage, design

- (a) The pilot program must include as eligible attractions and destinations:
 - (1) minor traffic generators; and
 - (2) general retail services, specified by business name, that are identified in a community wayfinding program established by the city.
- (b) The commissioner of transportation, in coordination with the city, may establish sign design specifications for signs under the pilot program. Design specifications must allow for placement of:
 - (1) a city name and city logo or symbol; and
 - (2) up to five attractions or destinations on a community destination sign assembly.

Subdivision 4. Program costs

The city shall pay costs of design, construction, erection, and maintenance of the signs and sign assemblies under the pilot program. The commissioner shall not impose fees for the pilot program.

Subdivision 5. Pilot program evaluation

In coordination with the city, the commissioner of transportation shall evaluate effectiveness of the pilot program under this section, which must include analysis of traffic safety impacts, utility to motorists and

tourists, costs and expenditures, extent of community support, and pilot program termination or continuation. By January 15, ~~2021~~ 2025, the commissioner shall submit a report on the evaluation to the ~~chairs and ranking minority members~~ and staff of the legislative committees with jurisdiction over transportation policy and finance.

Subdivision 6. Expiration

The pilot program under this section expires January 1, ~~2022~~ 2026.

The cost of preparing this report is less than \$5,000.

Evaluation Report

Implementation

The required signs were installed at 7 locations in Two Harbors between June 16 and August 21, 2016. Below is an image with the locations of the signs along with what the signs look like. MnDOT, in coordination with the City of Two Harbors, evaluated the pilot program effectiveness.

Figure 1: Map of Community Destination Signs along TH61 in Two Harbors



Results

Analysis of Traffic Safety Impacts

Seven wayfinding signs were installed along TH 61 in Two Harbors. MnDOT's VideoLog system was reviewed to determine installation dates of these signs. In the 2016 VideoLog, dated August 3, 2016, the footings for all signs were in place along with several of the posts, but no signs were yet attached. By the 2017 VideoLog, dated July 11, 2017, all signs were fully in place. Based on this data, it is assumed for this analysis that the signs were installed between August and September of 2016.

Wayfinding signs are posted directing to businesses on 11th Street north of TH 61, Recycle Center Drive south of TH 61, 6th Street south of TH 61, and 7th Street south of TH 61. Crash data was gathered along these corridors as well as around the intersections of TH 61 where signs are present. Crash data was collected from 2011 through 2021 with the "before" period being from January 2011 through July 2016, and the "after" period from October

2016 through December 2021. Traffic volume data was also gathered during those time periods for those locations. It is noted that the “after” period did include the COVID time period which had traffic impacts across Minnesota. However, reviewing the traffic volume impacts it appears the impacts to the study area were relatively minor when compared to much of the rest of the state.

Comparing the before and after periods, traffic volumes on 6th Street and 7th Street south of TH 61 decreased approximately 10% while traffic volumes on 11th Street north of TH 61 increased approximately 10%. Traffic volumes on TH 61 west of 6th Street increased approximately 5% while traffic volumes on TH 61 east of 6th Street decreased approximately 5%.

The tables below summarize the crash data findings.

Table 1: Crash Data for Roadways with Community Destination Signs Summarized

Intersection	Crashes in Before Period	Crashes in After Period	Crash Rate in Before Period (crashes per million entering vehicles)	Crash Rate in After Period (crashes per million entering vehicles)
TH 61 & 11 th St	19	26	0.683	0.933
TH 61 & 7 th St	8	12	0.290	0.447
TH 61 & 6 th St	8	7	0.313	0.294

Segment	Crashes in Before Period	Crashes in After Period	Crash Rate in Before Period (crashes per million vehicle miles)	Crash Rate in After Period (crashes per million vehicle miles)
11 th St north of TH 61	0	2	0.000	0.607
7 th St south of TH 61	9	6	3.416	2.738
6 th St south of TH 61	6	12	1.912	4.492

Based on these tables, the following locations saw crash rates increase in the period after the signs were installed:

- TH 61 & 11th Street intersection
- 11th Street north of TH 61
- TH 61 & 7th Street intersection
- 6th Street south of TH 61

The following locations saw crash rates decrease in the period after the signs were installed:

- TH 61 & 6th Street intersection
- 7th Street south of TH 61

Based on these results, there was a mix of locations that saw an increase or decrease in crash rates in the period after the signs were installed and it is unclear if the signs themselves had any impact on crashes. No fatal crashes were reported in the study area during the study time period, though there were two serious injury crashes. Both of those occurred on 6th Street at intersections south of TH 61 in the after period.

Utility to Motorists and Tourists

The City of Two Harbors sent out a survey to local businesses regarding their satisfaction with the Community Destination Sign Pilot Program. The results of this survey are available in Appendix B. Businesses that participated in this survey expressed support for the program. A majority of the businesses believed the signs increased traffic, especially from tourists who are looking to stop and do something in town. There have been positive comments from customers who were able to navigate through town from the signs. One business owner state, “The bottom line is we do appreciate the signs and know they have been a positive impact on businesses.” There is concern that, if the program were to be discontinued, traffic in the downtown area could decrease significantly.

Reviewing the sales tax growth from the city shows a significant increase from 2013 to 2021. Over an eight-year period, retail food and beverage sales have increased 4%, while miscellaneous store retailer sales grew by 51%. The city feels there are several factors that figure into this increase, but attribute some of that growth to giving added recognition to businesses off the beaten path.

The tables below show the sales tax of select industries in Two Harbors in 2013 and 2021.

Table 2: 2013 Sales Tax Data for Two Harbors

Two Harbors Sales Tax 2013				
INDUSTRY	GROSS SALES	TAXABLE SALES	SALES TAX	NUMBER
445 RETL -FOOD BEVERAGE STORE	\$26,974,877	\$6,180,185	\$471,186	7
451 RETL -LEISURE GOODS	\$139,248	\$133,690	\$9,191	5
453 RETL -MISC STORE RETAILER	\$28,078,716	\$5,558,006	\$382,111	27
722 FOOD SERV, DRINKING PLACES	\$5,330,116	\$5,151,503	\$373,001	14

* Source: MN Secretary of State, retrieved September 2015

Table 3: 2021 Sales Tax Data for Two Harbors

Two Harbors Sales Tax, 2021				
INDUSTRY	GROSS SALES	TAXABLE SALES	SALES TAX	NUMBER
445 RETL -FOOD BEVERAGE STORE	\$27,970,320	\$7,841,202	\$613,789	5
453 RETL -MISC STORE RETAILER	\$42,461,478	\$10,909,072	\$749,993	31
722 FOOD SERV, DRINKING PLACES	\$11,692,343	\$11,398,235	\$808,541	15

* Source: MN Secretary of State, retrieved September 2024

Costs and Expenditures

As per the statute, “The city shall pay costs of design, construction, erection, and maintenance of the signs and sign assemblies under the pilot program.”

The most significant cost to the city was the initial investment in the program. The city had to upscale the project from general signage supplies to a more custom-made package. Total investment in the program was \$18,695.82. The city was able to secure a \$5,000 grant through the Duluth Superior Area Community Foundation. Annual costs are minimal.

Extent of Community Support

The city welcomed and was excited to participate in the pilot program, with the goal of providing visitors with a way to navigate their way to attractions, historic venues and businesses, to identify the historic waterfront as a destination and to make Two Harbors more accessible through distinctive and helpful signage.

All available signage has been leased and there has been continued renewal. Based on a survey conducted by the City of Two Harbors, the sign pilot program has been met with positive feedback from both the public and local business owners. Local businesses hidden in the historic downtown district have seen an increase in traffic,

improving the local economy, allowing visitors to discover the cultural and commercial offering of the waterfront. The community and business owners would love to see the program continue.

Pilot Program Termination or Continuation

As per the statute, “The pilot program under this section expires January 1, 2026.” The City of Two Harbors is in favor of continuing the Community Destination Sign program.

Discussion

Federal and state regulations provide a limited number of signing programs that allow for a business name on a sign in the right of way in limited situations where providing business names is a benefit to the motorist. These programs include the following:

- The Logo Sign program authorized in MS 160.80 and regulated in Chapter 2J of the Minnesota Manual on Uniform Traffic Control Devices (MN MUTCD). The logo sign program allows for business signing on interstate and controlled access (freeway) trunk highways. Business types are limited by statute to gas, food, lodging, camping, 24-hour pharmacies, and attractions (amusement, historical, cultural, or leisure activities).
- The Specific Service Sign program authorized in MS 160.292 through 160.296 and regulated in Chapter 2K of MN MUTCD. Specific Service Sign programs allows business names but is limited to only rural non-freeway areas. Signs are limited to gas, food, lodging (motels, resorts, camping), places of worship, rural agricultural businesses, and tourist-oriented businesses (major portion of income from visitors not residing in the immediate area).
- Recreation and Cultural Interest Area Sign program regulated in Chapter 2M of the MN MUTCD. Recreational or cultural interest areas are attractions or traffic generators that are open to the public for the purpose of play, amusement, or relaxation. These typically include parks, campgrounds, gaming facilities, ski areas, museums, art galleries, and historical building or sites. General retail is not included.
- Community Wayfinding Sign regulated in Chapter 2D.50 of the MN MUTCD. Wayfinding signs are limited to key civic, visitor, recreational attractions and other destinations within an urban area. The FHWA clarified in a March 2014 letter to the MnDOT Deputy Commissioner that other destinations “is intended for locations with cultural and community significance and not for establishments whose primary function is retail.”

These regulations provide an equitable and uniform approach for determining when to allow including a business name on a sign in the right of way for distinguishing between a traffic control device and advertising.

Conclusion

MnDOT and the City of Two Harbors implemented the requirements of [Minnesota Session Law 2014, Chapter 312, Article 11, Section 38](#) as amended by [Minnesota Session Law 2019, 1st Special Session, Chapter 3, Article 3, Section 118](#) and provided the required results in this report.

Appendix A: Summary of Safety Results

Crash data was collected from 2011 through 2021 with the “before” period being from January 2011 through July 2016, and the “after” period from October 2016 through December 2021. Traffic volume data was also gathered during those time periods for those locations. Crash and volume data is summarized in the tables below.

Table 4: Crash and Volume Data for Two Harbors by Intersections

Intersection	Crashes in Before Period	Crashes in After Period	Fatal/Serious Injury Crashes in Before Period	Fatal/Serious Injury Crashes in After Period	Total Before Entering Volume	Total After Entering Volume	Crash Rate in Before Period (crashes per million entering vehicles)	Crash Rate in After Period (crashes per million entering vehicles)
TH 61 & 7 th St	8	12	0	0	27,542,318	26,841,425	0.290	0.447
TH 61 & 6 th St	8	7	0	0	25,564,908	23,813,191	0.313	0.294
TH 61 & 11 th St	19	26	0	0	27,835,514	27,867,177	0.683	0.933

Table 5: Crash and Volume Data for Two Harbors by Segment

Segment	Crashes in Before Period	Crashes in After Period	Fatal/Serious Injury Crashes in Before Period	Fatal/Serious Injury Crashes in After Period	Total Before Entering Volume	Total After Entering Volume	Segment Length (miles)	Crash Rate in a Period (crashes per million vehicle miles)	Crash Rate in After Period (crashes per million vehicle miles)
TH 61 between 5th St & 6th St	1	1	0	0	18,953,485	16,757,089	0.09	0.599	0.678
TH 61 between 6th St & 7th St	2	1	0	0	23,262,305	23,138,564	0.09	0.956	0.480
TH 61 between 7th St & 8th St	2	4	0	0	23,262,305	23,138,564	0.09	0.976	1.963
6th St south of TH 61	6	12	0	2	6,904,685	5,876,560	0.45	1.912	4.492
7th St south of TH 61	9	6	0	0	6,047,787	5,031,029	0.44	3.416	2.738
11th St north of TH 61	0	2	0	0	9,146,417	9,457,226	0.35	0.000	0.607

Appendix B: Summary of City Findings

The City of Two Harbors surveyed businesses engaged in the wayfinding sign pilot for their input on the program. Their responses are summarized in the table below. Responses were collected in October 2024. Five businesses did not participate in this survey. Some business owners run multiple businesses; their feedback is grouped.

Table 6: Two Harbors Business Survey Results

How have the wayfinding signs made a difference to your business? Do you think they reached the target audience of traveling tourists?	Overall satisfaction with the program?	Is there anything you would change?	What would be the effects if this program were to be cancelled?	Anything else you would like to add?
Has made some difference, but the sign is in the wrong place. Yes, it reached out to the fishermen tourists.	Somewhat satisfied	Yes, change where the sign is; right now, it leads tourists to the KwikTrip.	It would not be good. It would revert back to 15 years ago; not good at all.	Not at this time.
We have seen an increase in traffic, especially from tourists who are looking to stop and do something in town. We have also received positive comments from customers that do arrive whereby the signs did help them.	Satisfied	No	Less traffic to the downtown area and its businesses. Tourists not being able to find their way around town.	Bottom line is we do appreciate the signs and know they have a positive impact for business.
We have not done a survey to ask the customers how they found us, so there is no empirical data. However, we believe that it's helped tourists know that there is an old town district off the main drag (7th Ave).	See previous answer (left)	Nope	Fewer people would head to old downtown if they didn't have a prompt.	Nope, but since I was charged to create and install the signs, I guess I'd prefer they remain unless the city has another plan to get people down to the old town district.
I can't really say if the sign has helped at all. Most new customers say someone recommended them to our café.	N/A	Maybe have more signs that encourage turning right to downtown before people get to the street to turn.	N/A	If there are any new costs, I think Loving Lake Co. would be a good place to ask for funds.
Yes, many customers found me by seeing this sign.	Very satisfied	I think there could be more noticeable colors, but the current ones look nice.	Many people would not be aware of the businesses downtown and this is one good way to direct them downtown.	No, thank you.
It is tough to quantify, but it definitely reached its target audience and helped tourists explore the Historical Main Street of Two Harbors.	Very satisfied	More direction after the sign to other things.	Less foot traffic for sure.	Not at this time, no.