



BUILD INDIANA COUNCIL

Infrastructure Media Summary

January 17, 2017

Holcomb to deliver first State of the State speech

WSBT 22 CBS

Brian Slodysko/Associated Press

1/17/2017

Indiana Gov. Eric Holcomb will deliver his first State of the State speech Tuesday night, where he is expected to call for a plan that will likely raise taxes in order to pay for infrastructure improvements across the state. Indiana's roads, highways and bridges have been given poor marks by consulting groups and the American Society of Engineers. GOP leaders have said they can't make improvements without finding a new way to pay for them, and they've ruled out tapping the state's roughly \$2 billion reserve fund or using existing revenues. Enter Holcomb, a Republican who in his first weeks in office has said he supports increasing the state's 18-cents-a-gallon gas tax, which motorists pay in addition to a federal 18-cent gas tax. His spokeswoman, Stephanie Wilson, said Holcomb would address infrastructure and other priorities in his Tuesday speech. "The governor has made funding a 20-year plan for roads and bridges a top legislative priority, and he's expressed his commitment to keeping all options on the table to ensure we close this legislative session with a long-term solution for infrastructure," she told The Associated Press in an email. "As a key pillar of his legislative agenda, the governor will continue to advocate for funding to support a long-term infrastructure plan."

<http://wsbt.com/news/regional/holcomb-to-deliver-first-state-of-the-state-speech>

Also <http://fox59.com/2017/01/17/gas-tax-for-road-repairs-expected-to-take-center-stage-during-holcombs-first-state-of-the-state-address/>

Statehouse Mandarins push a 20-year tax

Fort Wayne News-Sentinel

Tom Charles Huston

1/16/2017

Members of the General Assembly have barely warmed their seats and the fury is already reaching pitched levels on social media. It is over the proposal by the new Republican governor and the Republican legislative leadership (known affectionately as the Mandarins) to hike gasoline taxes and impose a number of new fees designed to raise an additional \$1.2 billion a year for highway and bridge construction and maintenance. A similar proposal in the last session of the legislature was sidelined after Gov. Mike Pence refused to go along. Indiana is not alone in this quest for new sources of revenue to fund transportation needs. Reid Wilson at The Hill reports that a number of traditional red states, including Tennessee, Arizona and Missouri, are also considering raising gas taxes. Insofar as I can tell, few Hoosiers doubt that additional spending on roads and bridges is necessary, and except for hardcore libertarians they don't dispute it is the responsibility of the legislature to provide the means to meet the need. The issue is how to pay for it. The Mandarins, who make the decisions on what level of pain ought to be

inflicted on Hoosier taxpayers, have already decided to raise taxes, and not even Zeus launching a thunder bolt at the Statehouse from his home base on Mount Olympus would dissuade them.
<http://www.news-sentinel.com/opinion/your-voice/Statehouse-Mandarins-push-a-20-year-tax>

INDOT Planning \$2.7 Million Construction Project On U.S. 52 in Brookville

Eagle Country 99.3 FM
Travis Thayer
1/16/2017

An upcoming highway construction project will likely impact vehicular and pedestrian traffic in Franklin County. The Indiana Department of Transportation says a \$2,739,500 project is being planned on U.S. Highway 52 and Main Street in Brookville. Dave O'Mara Contractors Inc. has been contracted for extensive roadbed repairs, pavement milling and placement of new asphalt surface lifts on U.S. 52 and Main Street from the bridge at Butler's Run to 250 feet south of the Blue Creek Road intersection. The North Vernon-based contractor will also construct new sidewalks, curbs and ADA-compliant curb ramps. The contract completion date is October 13.
<http://eaglecountryonline.com/local-article/indot-plans-2-7-million-construction-project-u-s-52-brookville/>

Lane restrictions on SR 3 approaching I-74 bridges

Greensburg Daily News
1/16/2017

The Indiana Department of Transportation plans to close single lanes of State Road 3 Tuesday and Wednesday, Jan. 17-18, where the north-south highway approaches its overpass at Interstate 74 on the north side of Greensburg. Contracted crews hope to take advantage of favorable weather to remove temporary asphalt pavement placed as median crossovers during last year's construction of the twin bridges. Traffic flow will continue at the S.R. 3 bridge site in each direction on single 10-foot lanes. There will be no ramp closures. Milestone is the state's contractor for this \$3,748,040 project that replaced S.R. 3 bridges with two new 4-span concrete beam bridges—each measuring 240 feet in length with 43 feet of clear roadway side-to-side.
http://www.greensburgdailynews.com/news/local_news/lane-restrictions-on-sr-approaching-i-74-bridges/article_0000bb91-7636-531c-925f-daa2c399614b.html

More tollways option for funding

Fort Wayne Journal Gazette
Niki Kelly
1/15/2017

If lawmakers approve a House Republican plan for long-term road funding, it could mean more than paying at the pump. It includes language exploring tolling options, including applying for a federal waiver to place tolls on interstate highways. More importantly, it would not require any future vote on tollways by legislators once a specific tolling plan is formed. Instead, it would leave it up to the discretion of the current or future governors. "It's a pretty big deal. The merits of tolling are not being debated at this point," said Justin Stevens, state director for Americans for Prosperity. "It opens up Pandora's box." The tolling language is a provision of House Bill 1002 that is so far flying under the radar as more focus has been put on an immediate 10-cent increase in the state gas tax. But Rep. Ed Soliday, R-Valparaiso, said when the state hits 2021 and beyond the revenue from the gas tax is expected to fall off. "We have to fill that gap, and tolling is a way," he said. Soliday said people used to carry rolls of dimes to go to Chicago, but tolling is almost all electronic now. And importantly, he said, it's a way to get money for roads from the 25 percent of out-of-state drivers who might not stop and get gas. But it also would affect the 75 percent of drivers who are Hoosiers and could be paying both at the pump and the toll booth.

The talk has generally focused on interstates 65 and 70 where congestion is more of a concern and more capacity is needed. Interstate 69 has not been included in the conversation so far. Soliday said estimates show the state could reap \$350 million a year by having three to four lanes on I-65 and I-70 from state border to state border.

<http://www.journalgazette.net/news/local/indiana/More-tollways-option-for-funding-17265967>

Also <http://www.tribtown.com/2017/01/16/in-xgr-indiana-legislature-tolling/>

Hoosier state's tax base dwindling

Franklin Daily Journal

Staff Reports

1/15/2017

By many accounts, Indiana's two most vexing legislative matters in this session involve the financing of highways and pre-kindergarten education. While there are many important questions about both issues, the real problem is Indiana's shrinking tax base. This challenge will only worsen with time, so it is useful to understand what the trouble is, and how it may be remedied. The financing of Indiana roads is primarily done through a gasoline tax. This is an excise tax, levied on each gallon sold. Vastly better fuel efficiency combined with alternative fueled vehicles means that revenues from this tax no longer cover the costs of infrastructure improvements and maintenance. Worse still, even a doubling of the gas tax may leave the state cash-strapped in a decade if alternative fueled vehicles become price competitive. This is a real problem that we have not clearly prepared taxpayers to face. For transportation, we must tax congestion. That can be achieved through tolls and mileage taxes. A gas tax can even be part of the mix, but cannot do it alone. The challenge here is the inconvenience of tolls along with the technical and privacy worries of a mileage tax.

http://www.dailyjournal.net/2017/01/16/indianas_dwindling_tax_base/

Chao says private investors can help build U.S. roads

NWI Times

Joan Lowy/Associated Press

1/13/2017

WASHINGTON — The incoming Trump administration is looking to "unleash the potential" of private investors to boost the national transportation networks that underpin the U.S. economy, Transportation Secretary-designate Elaine Chao told lawmakers Wednesday. Economic gains are being "jeopardized" by aging infrastructure, rising highway fatalities, growing congestion and a failure to keep pace with emerging technologies, Chao testified before the Senate Commerce, Science and Transportation Committee. Northwest Indiana is already familiar with the type of private-public partnerships Chao was talking about. The Indiana Toll Road was leased to foreign investors in 2006. That lease was bought out of bankruptcy by another group of investors two years ago. A private company also has control of the right-of-way for the former Cline Avenue Bridge and says it plans to build a toll bridge there. And before the Illiana Expressway stalled, private investors were solicited to put upfront money into the road in exchange for a cut of tolls and state revenues if necessary. For transportation, Chao advocated using "innovative financing tools" that can "take full advantage of the estimated trillions in capital that equity firms, pension funds and endowments can invest." She said private investment should be encouraged with "a bold, new vision." She didn't detail those incentives, but a paper written by two economic advisers to President-elect Donald Trump recommends providing \$137 billion in tax credits to infrastructure investors. His advisers predict that will generate about \$1 trillion in investment over 10 years. But transportation experts note that investors are interested only in transportation projects that produce revenue, such as toll roads, and there are relatively few large projects like that. They say states need financial aid from the federal government to help with a growing backlog of maintenance and repair projects for aging highways, bridges and transit systems. Providing tax incentives also runs the risk of providing a windfall to investors for projects that

would have been built anyway.

http://www.nwitimes.com/ap/business/chao-says-private-investors-can-help-build-u-s-roads/article_98877f8b-3c73-59af-8138-abb6c35e92cd.html

Officials: Salem Noble Bridge work on schedule

Jeffersonville News and Tribune

Elizabeth Beilman

1/12/2017

Clark County officials say work on Salem Noble Bridge is still on schedule to finish by the end of March, despite complications involving a lawsuit and the state permitting process. The bridge, notorious for flooding, will be replaced with a new structure raised higher from the ground. Though county officials hope to rebuild the whole corridor in the future, they flagged the bridge a priority project because of its unsafe conditions — some they say were unknown until recently. A bridge inspection last spring deemed the structure was in mostly satisfactory condition. But County Engineer Brian Dixon said the state-required biannual inspections performed by an outside contractor are only visual. County officials decided to replace the 48-year-old bridge, though, because of the dangerous conditions created during heavy rainfalls. Access to the bridge has been barred since the end of November. Once the county bridge crew began work, they discovered an alarming structural deficiency — one of the sidewalls held only in place by a guardrail that wobbled several feet back and forth. Though barricades were already blocking access to the road, the commissioners declared a public emergency during a special meeting Dec. 6. Declaring an emergency allows municipalities to skirt the regular public bidding process, though it's silent on in-house labor, then-county attorney Lisa Glickfield said. Just a few days earlier, the Local 795 Laborers International Union of North America along with former commissioner John Perkins, sued the county over the bidding process for bridge work. According to Indiana statute, any work costing \$250,000 or more must be publicly bid. The county did so, but when proposals came back about \$350,000 higher than in-house work would cost, the commissioners decided to reject the bids. The local labor foundation typically reviews public bidding projects to make sure municipalities are following the law. They sued when they discovered work was being done in-house. The \$1.3 million project, which includes purchase of a \$700,000 new structure, is part of a \$1 million state grant the county is matching 100 percent. Jeffersonville has pledged to pay half the cost of the truss, as residents from Jeffersonville cross the bridge on their daily commutes. On Dec. 22, a judge ordered the county to stop work with its own employees, which Dixon said it did. New bids were issued, and the county is hiring a contractor to perform the rest of the work. Dixon said contractors are ready to begin construction again, weather permitting. They're willing to work six days a week to finish within the 120-day original timeline, Dixon said.

http://www.newsandtribune.com/news/officials-salem-noble-bridge-work-on-schedule/article_7401cebe-d913-11e6-862c-cf2b13cf430d.html

Gas tax hike is unfair

Lebanon Reporter

1/12/17

Indiana's crumbling infrastructure is in desperate need of repair and improvements, and Republicans who control the Statehouse have what, on the surface, appears to be a sensible plan to generate \$1 billion a year for the purpose. They want to raise taxes on gasoline and possibly to impose tolls on some Indiana highways. These measures amount, essentially, to user fees, which are generally a good way of having the very folks who use the services pay for them. Makes sense, right? Not so much, from the perspective of Anderson Democrat Tim Lanane, the state Senate minority leader. Lanane points out that, with Republicans in control of state policy, changes in Indiana's tax code have given huge benefits to wealthy Hoosiers over the past decade. The personal income tax rate was cut from 3.4 to 3.23 percent. Corporate income tax

was slashed from 7.5 to 4.9 percent. And the state's inheritance tax was repealed. Purdue economist Larry DeBoer figures that these tax changes lopped \$630 million in revenue from the 2017 state budget. The administration of former Gov. Mike Pence estimated that the tax cuts, when fully implemented, would amount to \$3.5 billion. Statehouse Republicans are seeking to make up the lost revenue — and more — by a gasoline tax increase that would be shouldered in large part by average Hoosiers.

http://www.reporter.net/opinion/gas-tax-hike-is-unfair/article_9ea16a5a-89cf-5cea-a2d1-dad7f4e6d96e.html

Why higher gas tax is necessary

Indianapolis Star

Abdul-Hakim Shabazz

1/12/17

Allow me to paraphrase a sentence you older folks might remember from typing class: "Now is the time for all good men and women to have a grown-up conversation about gas taxes." I bring this up because Indiana lawmakers are looking at indexing the current gas tax to inflation as a way to help pay for roads and infrastructure. Indiana's gas tax hasn't been raised since "Arrested Development" first appeared on the air, and some fuel taxes have been the same since I had a jheri curl. And if you look at the loss of purchasing power since 1970, the gas tax has lost half of its purchasing power and the sales tax on gasoline has lost 40 percent of its purchasing power since 2010. Now I can already hear the rabid anti-tax crowd engage in the usual wailing and gnashing of teeth. With respect, they need to get with the program because absent major budgetary cuts, there is no way Indiana can pay for its road needs without a tax increase.

<http://www.indystar.com/story/opinion/2017/01/12/abdul-higher-gas-tax-necessary/96508274/>

County approves funding for Whitestown bypass

Staff Report

Lebanon Reporter

1/12/2017

Construction of a connector road between County Road 400 South (Albert S. White Boulevard) and CR 300 Street (146th Street) in Whitestown, could begin this summer. The Boone County Council Tuesday approved a \$2.08 million request from the county highway department for matching funds for the project. About half of that money came from the Indiana Department of Transportation, through a one-time distribution of county option income taxes that had been retained by the state Department of Revenue. INDOT matches, up to \$1 million, highway projects that use the COIT distribution. Whitestown will pay \$210,000 toward the bypass project through an interlocal agreement. The road is intended to reduce traffic congestion on Albert S. White Boulevard, Whitestown Parkway and other streets, and eventually serve as a link in the Ronald Reagan Parkway.

http://www.reporter.net/news/local_news/county-approves-funding-for-whitestown-bypass/article_00b18a3d-4252-591e-a6f5-dcb4ef37c864.html

The \$100 million question

Columbus Republic

Julie McClure

1/12/2017

Columbus has submitted two possible solutions to state transportation officials to help local motorists cope with increased train traffic projected to begin next year. With its submission to the Indiana Department of Transportation, city officials are hoping to get the train crossing at the State Road 46 West and State Road 11 intersection added to a list of accepted improvement

projects — which would generate outside funding. But it won't be a quick process. "If we put it in now, and it's accepted, we're talking about construction starting in 2021 or 2022," Mayor Jim Lienhoop said. "We've got a ways to go on this." The mayor said the city has submitted two of five possible plans offered as solutions by consultant American StructurePoint to INDOT:

- A realignment of the railroad, moving it to the west with an overpass over State Road 46.
- A new interchange at the State Road 46 and State Road 11 intersection with ramps in a pretzel-shaped pattern around the intersection and an overpass over the grade crossing.

The ultimate solution would actually be both plans done together, said Dave Hayward, the city's executive director of public works/city engineer. "Either of them on their own still have some issues. But together, the two would solve everything about railroads and the traffic," he said. The city has estimated the cost of the overpass and pretzel-shaped pattern intersection at \$27.2 million. The cost of relocating the railroad and building the overpass is being estimated at \$94 million, which Lienhoop said the city would never be able to shoulder on its own. In its proposal to INDOT, the city is proposing that INDOT pay \$20 million of the cost for either option, with the city pursuing ways to fund the remainder.

http://www.therepublic.com/2017/01/13/which_train_crossingrelief_plan_to_choochoo_choose/

www.buildindianacouncil.org