



# **BUILD INDIANA COUNCIL**

## **Infrastructure Media Summary**

### **May 27, 2014**

#### **Shifts in privatization pose more risk to states**

The Washington Times  
Associated Press  
5/27/14

MUNSTER, Ind. (AP) - Government leaders across Indiana are increasingly adopting former Gov. Mitch Daniels' approach to funding big projects, turning to outside sources to fund and operate them. But they're unlikely to see the huge windfalls that Indiana received in 2006 when Daniels leased the Indiana Toll Road for \$3.8 billion. Instead, investors in state projects are more likely to demand guaranteed fixed annual payments before providing money for the projects, The Times in Munster reported. The shift reflects investors' desire to insulate themselves from the risk that revenue from the projects won't meet expectations, said Robert Poole, director of transportation policy at the Reason Foundation. Poole said many public-private partnership projects "have gotten into trouble because projections were a little too rosy." The new approach to privatization has forced officials in Indiana and Illinois to rethink their funding plans for the 47-mile Illiana Expressway. In early 2013, the states had hoped that investors might pay the entire cost of the toll road in exchange for keeping the toll proceeds. But that idea was dropped, and the states are now offering private investment teams competing for the project annual payments throughout the 35-year lease. If toll collections fall short of those fixed payments, the states will have to make up the difference. Indiana and Illinois also estimate they may have to pay a combined \$270 million in cash to investors in the form of milestone payments in 2018 and 2019 once the road is built.

[Shifts in privatization pose more risk to states - Washington Times](#)

#### **Pence's appeal successful for Jan. storm assistance**

WLF1  
Alexandra Kruczek  
5/27/14

INDIANAPOLIS (WLF1) — Nine additional counties will receive federal grants for the severe winter storm that severely affected much of the state January 5-9. Indiana Gov. Mike Pence made the announcement Tuesday saying it's "good news" for the additional counties granted public assistance by the Federal Emergency Management Agency, which include Blackford, Clinton, Fulton, Hamilton, Johnson, LaGrange, Marion, Montgomery and Vanderburgh. "This continues to be good financial news for cities and towns in these counties," Pence told News 18 in a release. "Federal grants mean millions of dollars replenishing local budgets." These newly added counties, except Vanderburgh, will receive 48 hours of snow assistance. The total number of counties receiving assistance for the January snowstorm is up to 28, though Pence said additional counties may be requested. FEMA had previously granted assistance to the following counties: Boone, Clay, Hendricks, Huntington, Jasper, Kosciusko, Madison, Morgan, Newton, Noble, Owen, Parke, Putnam, Sullivan, Tipton, Vigo, Wabash, White and Whitley. Noble and

Whitley counties are being provided with 72 hours of snow assistance, and all other counties, except Owen, are receiving 48 hours of snow assistance. Pence said FEMA's grants will pay 75 percent of eligible expenses for damage to roads, bridges, utilities, debris removal, buildings' contents and equipment, water control facilities, parks and recreational facilities, and others, as well as emergency protective measures like traffic control and rescue operations. The Indiana Department of Homeland Security will work with FEMA and local agencies to document allowable expenses.

[Pence's appeal successful for Jan. storm assistance | wfi.com](#)

### **'West Connector' project receives state funds**

The Shelbyville News

Paul Gable

5/27/14

A Shelbyville road project that has been hinted at since 2007 is the recipient of state funds. Shelbyville Mayor Tom DeBaun and the Indiana Department of Transportation announced Tuesday that Fairland Road will be extended south of I-74 thanks to state funds under legislation authored by Rep. Bob Cherry, R-Greenfield. INDOT sets aside a portion of its federal highway funding each year for local transportation projects. In 2013, the General Assembly approved House Enrolled Act 1067, which allows INDOT to swap \$1 in federal funds with 75 cents in state funds. "When local units receive federal funding for transportation, there are often many strings attached. Under the federal exchange program, local units will be able to fund more road and bridge projects. This puts another tool in the toolbox for local government. It's a win-win for both state and local units," Cherry said. Shelbyville will use \$95,572.50 in state funds to build the first phase of the West Connector. Under the program, the local government is responsible for paying at least 10 percent of the overall project cost. The purpose of the road is to reduce heavy truck traffic and congestion in downtown Shelbyville, making it more attractive for businesses and safer for pedestrians, further enhancing quality of life. The city of Shelbyville is currently accepting bids for the project up to June 2. The project will be awarded on June 10 during the Board of Public Works and Safety meeting.

['West Connector' project receives state funds - Shelby News: Local News](#)

### **Bridge projects resuming in Lake County**

Post-Tribune

Carrie Napoleon

5/26/14

Work is expected to begin this fall on the replacement of the Rangeline Road Bridge over the Kankakee River in south Lake County. Money has begun to trickle back into the county highway department's bridge fund after the county council defunded its budget line item along with the highway cumulative capital fund in 2013 to help close a \$15 million budget deficit. The department's two critical funds for road and bridge maintenance and repairs were refunded for the 2014 budget year, allowing work to finally proceed. "We have a little money. We're doing the best with what we can do," said Marcus Malczewski, highway department superintendent. The bridge at Rangeline Road is one of 26 in the county deemed functionally obsolete and in need of replacement in a 2012 inspection report that's part of the U.S. Department of Transportation Federal Highway Administration Bridge Replacement and Rehabilitation Program. Another 27 bridges in the county were considered structurally deficient following the 2012 inspection report, though one of those was removed after it was rehabilitated last year. "We are due for the next round of bridge inspections later this year and will have a new listing in the fall," said Duane Alverson, the department's engineer.

[Bridge projects resuming in Lake County - Post-Tribune#.U4TQZYdOXIU#.U4TQZYdOXIU](#)

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