



BUILD INDIANA COUNCIL

Infrastructure Media Summary

October 28, 2014

Indiana will not try to reclaim Toll Road

NWI Times
Joseph S. Pete
10/27/14

Elected officials from northern Indiana, most prominently Democratic U.S. Sen. Joe Donnelly, have urged state government to reclaim the Indiana Toll Road after its private operator went bankrupt. Not a chance, Indianapolis replied. Indiana Public Finance Director Kendra York wrote a letter back to Donnelly saying the state has no plans to reclaim the Toll Road just because the Indiana Toll Road Concession Co., a Spanish-Australian consortium, has filed for bankruptcy in a bid to sell off the 157-mile tollway after racking up about \$6 billion in debt. The state wants to stick with a private operator so the Indiana Department of Transportation does not assume responsibility for the road's maintenance. Earlier this month, Donnelly wrote the Indiana Finance Authority urging it to take advantage of its leverage in federal bankruptcy court to address longtime problems such as half hour-long wait times at toll plazas, filthy travel plazas and the bridge to Interstate 94 in Portage that has been down for more than a year. The LaPorte County Commissioners even hired a bankruptcy attorney to investigate whether the 75-year lease allowed the state to retake daily operations of the Toll Road, as former Gov. Mitch Daniels repeatedly claimed it would. The state, however, is not interested in assuming the cost of running and maintaining the Toll Road, York wrote. Indiana would have to spend far more now than the \$68 million it did over the last two years of state control. "In sixty years of state operation, the Toll Road never covered its costs," she wrote. "In 2005, the year before the road was leased, the state of Indiana did not collect sufficient tolls to support basic road treatments, or repair the deteriorating conditions of the highway and bridges. These improvements could not have been undertaken within INDOT's budget without neglecting other parts of the state highway system." The state government, which is often harped on by region residents for neglecting roads and highways in the densely populated northwest corner of the state, had not increased the tolls on the Toll Road for 20 years at the time. The lease to a private operator calls for tolls – now \$10 for a car traveling the whole length of the tollway – to increase by a set amount every year.

[Indiana will not try to reclaim Toll Road](#)

INDOT instates new rules for planning organization's money

News and Tribune
Matt Koesters
10/25/14

Use it or lose it. That's the message the Indiana Department of Transportation sent to metropolitan planning organizations, or MPOs, responsible for planning projects that use federal funds. The local MPO, the Kentuckiana Regional Planning and Development Agency, or KIPDA, Transportation Policy Committee approved a draft five-year plan Thursday to spend down more

than \$16 million in federal funds from past-year balances. The move came in response to new INDOT rules, which will require that all federal dollars distributed by INDOT be spent in the same year they are received by 2020. "INDOT's been having some ongoing conversations with the MPOs over the past several years over funds that the MPOs have carried over, have held over from year-to-year," said INDOT spokesman Will Wingfield. "We've communicated to the MPOs that they can no longer do that due to changes in the way that federal highway funds are being provided and uncertainty about what funding will be available in the future." Going forward from 2020, any unspent federal dollars will be returned to INDOT at the end of the year. The move comes partially in response to new federal rules on highway funds, which reduce the time limit on spending highway funds. "Congress doesn't give us an endless appropriation," Wingfield said. "At some point, those funds do expire, and we want to make sure that we, of course, don't send any funds back to Washington, but secondly, that we invest these funds in a timely manner so that they have benefits that people can see in terms of safety and mobility." INDOT distributes about \$4.1 million in federal funds to KIPDA each year for transportation projects in Clark and Floyd counties. The \$16.2 million past-year balance must be spent between the beginning of 2016 and the end of 2019, said KIPDA Transportation Planner Mary Lou Hauber. "The reason they're doing that is INDOT wants to take a year to get a handle on the balances and the obligations," [INDOT instates new rules for planning organization's money - News and Tribune: News](#)

Toll Road lease was a gamble with Hoosiers' future

Indianapolis Star
Kevin DeGood
10/25/14

If the Great Recession taught us anything, it's that speculative trading in overly complex and risky financial products is no basis for achieving long-term economic prosperity. This raises an important question: Should elected officials emulate this approach by converting public assets like the Indiana Toll Road into financial instruments through complex public-private partnerships? The recent bankruptcy filing by the Spanish-Australian concessionaire, which won the 75-year lease for the Toll Road, strongly suggests that elected officials are entering into poorly understood agreements that will expose taxpayers to financial risk for many decades to come. Historically, governments have built highway infrastructure as an open-access public good. States typically have financed roadway construction through a combination of general tax revenues, gas taxes, vehicle taxes, and bonding. In a few cases, such as the Indiana Toll Road, states financed initial construction by issuing a bond and then repaid this obligation by charging drivers a toll for their use of the road. In 2006, then-Gov. Mitch Daniels leased the Toll Road for 75 years in exchange for an up-front payment of \$3.8 billion. These funds covered the cost of transportation projects around the state through a plan known as Major Moves. And while the payment was presented as a windfall, a more accurate description would have been as a loan. For its part, the concessionaire won the right to keep all toll revenues from the Toll Road over the life of the agreement. Proponents of the transaction have pointed to the bankruptcy filing as evidence that Indiana residents received a great price for their asset. Such pronouncements are premature. Rather than a vindication, the bankruptcy reveals the enormous gamble involved with trying to find an appropriate price for a roadway over 75 years.

[Toll Road lease was a gamble with Hoosiers' future](#)

Bridges Board Starting Over on Toll Bidding

Inside Indiana Business
10/24/14

The Kentucky-Indiana Joint Board for the Ohio River Bridges Project voted today to restart the procurement of a tolling services provider. The vote comes after the Indiana Finance Authority's review of a protest submitted by a non-winning bidder in late September. Today the Joint Board heard from the IFA that the allegations made in the protest were unsubstantiated. But the agency

did uncover a significant potential personal and organizational conflict of interest regarding financial arrangements between a subcontractor of the preferred proposer and a subcontractor of the Joint Board's toll advisor. The conflict of interest and the appearance of impropriety it creates were substantial enough that the joint board voted to terminate and restart the procurement. "The best ethical and objective path forward is to cancel the existing procurement and reset the process," said Kendra York, director of the IFA. "While there was no evidence that the conflict of interest actually influenced the procurement decision, we owe it to the people of Indiana and Kentucky to safeguard their confidence in the process." York said prior proposing parties will be allowed to participate in the restart process "without disqualification or prejudice" as a result of the procurement cancellation. "We have been committed to transparency throughout this project, and that includes our procurement processes," said Kentucky Transportation Secretary Mike Hancock. "The issue at hand is a conflict of interest, which has now been removed. The restart of the toll system provider procurement can now begin, and we will keep the project on schedule." [Bridges Board Starting Over on Toll Bidding - Newsroom - Inside INdiana Business with Gerry Dick](#)

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