



NEWS RELEASE
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Bridges Authority adopts strategic objectives designed to “build two bridges and fix Spaghetti Junction”

JEFFERSONVILLE, Ind. – The Louisville and Southern Indiana Bridges Authority adopted four strategic objectives today as it moves closer to developing a plan that will finance and construct the Ohio River Bridges Project. The four strategic objectives are:

- Build the Bridges Authority into an effective, long-term project sponsor.
- Execute a financial plan that is fair, sound and doable.
- Manage risk to realize long-term project benefits.
- Deliver on all expected project benefits.

Meeting in Jeffersonville, the Authority overwhelmingly approved strategic objectives: “We’ve been given a mandate by both governors to make these bridges become a reality,” said Joe Reagan, an Authority member who worked on the objectives. “Years of planning and public input have gone into this project and we owe the community a plan that fulfills the purpose and need identified in the Record of Decision, which is to build two bridges and fix Spaghetti Junction.”

“By adopting these objectives, we move closer to fulfilling our mission, which is *to deliver the Ohio River Bridges Project and to do so as quickly as possible*,” said Steve Schultz, executive director of the Authority. Authority member David Tharp added, “I feel very strongly that we need to move forward.”

In previous meetings, the Authority has articulated its vision to deliver both bridges and re-build the Kennedy Interchange as a single project and as a single team representing both states.

Under the first objective, the plan calls on the Authority to “*rapidly develop the organizational capabilities, resources and processes required of an effective long-term project sponsor.*”

The second objective states that “*whatever mix of funding and financing is selected, the plan must demonstrate prudent stewardship of public resources, be financially viable, and provide measurable value to users and taxpayers alike.*”

By managing long-term risks, as stated in the third objective, the Authority plans to “*deliver maximum value to the public over the long term, and carefully assess project risks and allocate those risks to the parties most capable of managing them.*” This includes exploring viable contracting models for rapid and efficient project delivery.

Under the fourth objective, *“the project will provide a wide range of benefits, including congestion relief, improved transportation safety, improved livability, job creation, inclusion, economic impact and multi-modal choices for travelers.”*

Since its inception earlier this year, the Authority has been urged by some to divide the project and build only one bridge. The Mississippi Bridge Project in St. Louis has been cited as an example of a scaled back project. Schultz stated that he has looked into the issue and has discussed it with federal highway officials. He said the approach taken in St. Louis is not feasible for the Louisville project. Schultz called such an alternative a “non-starter” because building only a portion of the project would not meet the purpose and need as outlined in the Record of Decision, which came after years of study and public input. He also explained that both states could face financial consequences by being forced to repay expenditures related to portions of the project not built.

In addition to adopting its strategic objectives, the Authority was given more information on all-electronic toll issues in a presentation by Ed Crooks of KPMG, the Authority’s strategic advisor. Electronic, no-stop tolling is being considered as a revenue source. Crook’s presentation showed that nearly 100 bridges across the country are tolled – 24 of them on interstates. Concerns have been raised about collection rates. According to Crook’s research, the non-collection rate nationwide ranges from 1 percent to 6 percent. Evidence also suggests that over time, agencies can improve that rate. One example from Toronto shows the rate was cut in half over a four-year period.

An update was provided on the TIGER II application, which is part of the federal government’s stimulus plan (Transportation Investment Generating Economic Recovery). Two weeks ago, the Authority applied for a \$135 million grant from TIGER II. An announcement of the recipients is expected in the coming months. If the Authority receives TIGER II funds, it intends to use the funds to support a government loan under TIFIA (Transportation Infrastructure Finance and Innovation Act) for up to one-third of the project costs.

The Authority also formed three committees: 1) Oversight; 2) Outreach; 3) Finance and Construction Planning. These committees are chaired respectively by Authority members Pat Byrne, Sandra Frazier and Kerry Stemler. The committees will supplement the work of the Authority to help expedite its mission.

The Louisville and Southern Indiana Bridges Authority was formed earlier this year and has now conducted eight public meetings. Since its inception, it has put a team in place that has been moving forward on many fronts to develop a financial plan by year’s end. Part of its work has included helping KIPDA (Kentuckiana Regional Planning & Development Agency) resolve issues necessary to retain the project in KIPDA’s long-range transportation plan, applying for TIGER II funds and starting the dialogue on potential tolling options with FHWA Federal Highway Administration.

The next Authority meeting will be held October 7th at a location that has yet to be determined. As soon as the time and location are worked out, the information will be posted at www.bridgesauthority.com. The Authority also plans to hold evening meetings this year devoted solely to public comment.

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