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Bridges Authority approves updated financial plan

The Louisville and Southern Indiana Bridges Authority approved a plan today on an updated financial plan that outlines revised cost estimates and alternative construction and financing options for the multi-billion dollar project, which involves building two new Ohio River bridges and reconstructing the Kennedy Interchange.

The updated plan was presented and approved by the Kentucky Public Transportation Infrastructure Authority (KIPTIA) with a recommendation that it be submitted to the Federal Highway Administration, as required by Kentucky legislation enacted earlier this year.

A draft of the financial plan update was presented to Authority members last week for review before today's vote. The update was also posted for public review on the Authority's website, and copies were made available at a public information and input session held Monday at the Muhammad Ali Center.

Fulfilling this requirement is a milestone for the Authority on the path toward reaching a target to begin construction on the project by August 2012.

The updated financial plan summarizes funds expected to be available for the project. According to the update, roughly half of the \$4.1 billion project cost will be provided through federal and state transportation program funds, with the balance being covered through user fees, or tolls. While tolling has been discussed by the Authority as a potential revenue source, the updated financial plan officially recognizes the use of tolls as a way to cover the funding gap. The plan also addresses potential project delivery approaches to help achieve the stated financial and schedule objectives.

The update does not specify a toll rate or which bridges will be tolled. Those decisions cannot be made until expected federal guidance on tolling eligibility is received and until a time-of-day travel demand model and revenue projections are completed. The Authority wants to keep tolls as low as possible, and it has targeted a frequent user fee rate in the \$1 range as a tolling policy objective.

Authority Chair Charles Buddeke stressed that this update is not the final financial plan for the project, noting that the group will continue to explore ways to build the best plan possible that can meet its objectives, including the August 2012 target date for construction.

"This updated plan not only brings current the financial picture for this vital project, but more importantly it serves as the foundation for where we go from here," added Co-Chair Kerry Stemler.

The Louisville-Southern Indiana Ohio River Bridges Project is one of the nation's largest transportation projects and calls for reconfiguring Louisville's Kennedy Interchange (Spaghetti Junction) and building two new bridges, one downtown and the other eight miles upstream in the metro area's east end.

When completed, the project is expected to reduce accidents by as much as 50%, cut travel time by more than half through the Kennedy Interchange during rush hour, and create an average of more than 2,000 jobs per year during construction and nearly 1,000 jobs per year after completion. (Statistics are based on federally accepted criteria for job creation.)