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Authority unveils plan to support August 2012 construction target

Members of the Louisville and Southern Indiana Bridges Authority considered a proposed project delivery plan that detailed key milestones necessary for the Authority to meet a goal of starting construction on the Ohio River Bridges Project by August 2012.

The plan builds on a recommendation by the group's finance and construction planning committee to develop a "road map" for meeting this target. The plan also recommends exploring alternative project delivery contracting tools as a means to meet the aggressive timeline and accelerate project completion, attract private capital and reduce costs.

Members also had an opportunity to review a draft of the update to the Initial Financial Plan. The Kentucky budget requires this update to be submitted to Federal Highways by the end of the year. At its next meeting, the Authority will consider final action on this submittal, which must be made jointly with the Kentucky Public Transportation Infrastructure Authority (KPTIA).

"The delivery plan coupled with the financial plan update demonstrates that there is a clear path for moving this project forward," said Steve Schultz, executive director of the Authority. "While a lot of work lies ahead, this plan will drive our efforts to stay on track toward breaking ground by the target date."

"This region has waited long enough for these bridges," said Kerry Stemler, co-chair of the Authority. "After 40-plus years of discussion, it is time that we commit to this critical investment in our future."

Highlights of the project delivery plan include reaching resolution on tolling decisions, developing and executing a structure for project procurement, and continuing project management efforts by the state sponsors' bi-state management team, which involves obtaining right-of-way, completing environmental work and securing necessary permits and approvals.

The updated Initial Financial Plan summarized funds that are expected to be available for the project by the two states and the "gap" that will be met through tolls. According to the update, roughly half of the \$4.1 billion project cost will be provided through federal and state transportation program funds. The remaining funding will be 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 way to bridge the funding gap.

At its meeting the Authority also accepted the recommendation of its Finance and Construction Planning Committee to target a frequent user fee rate in the \$1 range as a tolling policy objective. According to Authority chairman Charles Buddeke, the use of tolls reflects a growing trend and need by communities with large infrastructure projects to consider non-traditional options as a means of paying for them.

"When you look at other communities that are making similar decisions around the country, it is clear that the gasoline tax can no longer be the sole source of funding for our country's roads and bridges," Buddeke said. "Moving this project forward will require an investment by our local communities. And if we don't move forward, we're going to get left behind."

The Bridges Authority is providing an opportunity for community feedback during a public input and information session on Monday, December 13.

Subsequent action by the Authority and KPTIA on the updated financial plan would result in its submission to Federal Highways on behalf of the state sponsors, the Kentucky Transportation Cabinet and the Indiana Department of Transportation.

The Authority stressed that this submission will not be the final financial plan for the project and that the group will continue to explore ways to build the best plan possible that can meet the August 2012 target date for construction and the targeted \$1 toll rate for frequent users.